



ASX/Media Release

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AusTex Oil Limited

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About AusTex

AusTex Oil Ltd (ASX: AOK) which was listed on the ASX in January 2008 is focused on reworking and development of oil and gas leases in the USA. The company produces oil and gas from leases in Oklahoma and Kansas. Since listing, AusTex has increased its lease interests from 1,000 acres to 69,000 acres. Current independently certified 2P reserves are 7.4million BOE.

Drilling to commence on Baggett #33-4 Well

Mayo-Moore #8 ERW under Completion

Lancaster Lease Group - Oklahoma

AusTex Oil Limited (**ASX:AOK**), advises that drilling of the Mayo Moore #8 ERW (Enhanced Recovery Well) has been completed on the Lancaster Lease Group, Tulsa County, Oklahoma. This is the first well permitted and drilled specifically for water injection into the producing Red Fork and Tanaha formations as part of the reservoir management plan. A number of injection wells will be drilled over the coming months in addition to new production wells. This will ensure maximum recovery and life span of oil and gas production from the lease.

The well is located between the Mayo Moore #1 and Mayo Moore #2 wells, which are producing oil and gas from the Red Fork formation on the east side of the lease. This is the 12th well being drilled on the eastern side of the lease-group since development drilling began in September 2009.

Drilling to commence on Baggett #33-4 well

Drilling of the Baggett #33-4 is scheduled to commence this week, weather permitting. The well is targeting the Red Fork and Tanaha formations and is the 4th well on the Baggett Lease on the eastern edge of the lease group.

Drilling operations are expected to take between 3 and 5 days with a planned total depth of 2,500 feet.

Reservoir Management Plan Update

As previously reported, drilling on the eastern side of the lease group has encountered reservoirs with virgin pressures in the Red Fork and Tanaha formations. The Red Fork formation is a gas driven reservoir and a pressure maintenance plan continues to be developed for the lease.

A further review of data from all wells drilled on the lease group has now been completed by the Company's in-house technical team. Reservoir modelling has been updated and a decision has been made to proceed with water injection only into the

reservoir. Gas produced from the lease is currently being sold with liquids via pipeline to Scissortail Energy Inc., who are stripping the liquids off site and paying a premium price per MCF. Currently AOK is receiving \$4.25 AUD per mcf of gas.

Helen Lancaster #1 Well - recompletion

As part of the review and reservoir modelling the Helen Lancaster #1 well is being recompleted and has been opened in the Red Fork formation with 56 feet of net pay perforated. The well will be fitted with a pump jack for production testing.

Hollie #2 and Mayo Moore #6 completions

Both wells are completed and waiting on pump jacks to be fitted to commence production testing along with some infrastructure work on lines. Some delay has been experienced moving equipment on the lease due to recent storms. Both wells are expected to be on pump within 2 weeks.

Additional Acreage Acquired

The Company has increased the acreage of the lease group to 890 acres with the addition of a 160 acre lease to the north and 120 acre lease to the west. Further contiguous acreage is under negotiation to ensure better control over enhanced recovery activities.



Figure 1 Mayo Moore #5 and #7 Wells - producing from separate formations

AOK holds a 100% Working Interest and 81.25% Net Revenue Interest in this project.

For further information please contact;

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Figure 2 Location of AusTex Oil and Gas Interests