

ASX/Media Release

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AusTex Oil Limited

A.C.N. 118 585 649

Level 56, MLC Centre
19-29 Martin Place
Sydney NSW 2000
Telephone +61 2 9238 2363
Fax +61 2 8088 7280

Contact

Daniel Lanskey
Managing Director
dan.lanskey@austexoil.com

Website

www.austexoil.com

Directors

Dr Peter Power (Chairman)
Daniel Lanskey (Managing Director)
Richard Adrey (Executive Director)
Kay Philip (Non-executive Director)
Trevor Sykes (Non-Executive Director)

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.

Conditional Agreement on Producing Acreage

Kay County - Oklahoma

- ~907 contiguous acres
- Existing oil and gas production
- Multiple development opportunities
- Area of Aggressive Development

AusTex Oil Limited (**ASX:AOK**), is pleased to advise that it has entered into a Letter of Intent to acquire ~907 acres in Kay County, near the town of Tonkawa, Oklahoma and in an area of aggressive development of oil projects by a number of operators.

The current owners have maintained minimal production of oil and gas on the lease which has extensive infrastructure in place including oil and gas gathering systems, storage facilities and gas sales lines along with two operating disposal wells.

The agreement is subject to final due diligence and Board approval with a proposed closing of 30 September, 2010. If the acquisition proceeds AOK will hold a 100% Working Interest and 81.25% Net Revenue Interest and would be the operator of the project. The acquisition will be funded from existing capital and is expected to be finalised this quarter. Additional acreage available for leasing is being reviewed.

Speaking from Tulsa, Managing Director of AOK, Mr Dan Lanskey commented, "This proposed acquisition complements our existing development in Oklahoma in known proven oil fields. We are already operating leases west of Tulsa and this project could be developed with existing staff and contractor relationships. Onshore development and exploration for oil in Oklahoma is hotting up with 132 rigs onsite in the State according to current information from RIGDATA".

Area of Development

Kay County is located in north-east Oklahoma, 100 miles north-west of Tulsa City. The area is a known oil producing region with laterally extensive multiple oil bearing horizons. Current

exploration and development in the immediate area includes horizontal drilling in the Mississippi Limestone formation between 4000 feet and 5000 feet from surface. Initial production rates of 500 barrels of oil per day are being achieved with an average well cost of \$1.5 million.

For further information please contact;

Daniel Lanskey
Managing Director
Tel. +61 2 9238 2363
Or visit www.austexoil.com