



ASX/Media Release

27 October 2010

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)

Company Secretary

Justin Clyne

Tel. +61 2 9238 2363

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.

Lancaster #8 Well – Completed for Production

Lancaster Lease Group - Oklahoma

AusTex Oil Limited (**ASX:AOK**), is pleased to advise its stakeholders that the Lancaster #8 well has been completed for production at 2500 feet.

The well is fitted with a pump jack currently geared to produce 350 barrels of fluid a day. During the completion process free oil was present at the well head along with associated gas requiring the well to be loaded with salt water to enable the down hole pump and production tubing to be fitted.

Production testing will continue over the next 7-10 days with recovery of completion fluids expected to take between 24-48 hours. Total investment in the completed producing well is less than \$US200,000.

Samples obtained during drilling and logs completed confirm the well intersected hydrocarbons in the Simpson Sands series and Arbuckle formation along with a number of shallower formations. The well logged 65 feet structurally higher than nearby wells.

Permitting of the next well, the Lancaster #9 well, is completed. Drilling of this well is scheduled to commence mid-November. This well is a step out well to the Lancaster #8 and is targeting the same structural high with an expected Total Depth of 2500 feet.

AOK holds a 100% Working Interest and 80% Net Revenue Interest in this project.

For further information please contact;

Daniel Lanskey

Managing Director

Tel. +61 2 9238 2363

Or visit www.austexoil.com