

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.

Lancaster #8 – Production Update

Lancaster #9 - Completion Update

Lancaster Lease Group - Oklahoma

AusTex Oil Limited (**ASX:AOK**), advises the following update on operations at the Lancaster Lease Group, Tulsa County, Oklahoma.

Lancaster #8 Production Update

Following production testing the well has now stabilised at 20 barrels of oil per day and associated gas from a 3 foot interval of the Arbuckle Formation at 2,550 feet. The completed well will pay out in seven months. Arbuckle production has water drive and is therefore long life with a low rate of decline. The well also intersected 100 feet of gross pay zone in the Simpson Series Formations, which remains behind the pipe for future production.

Lancaster #9 Completion Underway

The Lancaster #9 well is being completed for production in the Simpson Series Formations. Logs indicate the well intersected 150 feet of the hydrocarbon bearing zone between 2,400 feet and 2,550 feet. The well has been cased and perforated over a 10 foot interval. The well is to be stimulated with hydraulic fracturing which is scheduled this week. Production testing is scheduled in the week commencing 13 December, 2010.

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

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