

ASX/Media Release

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AusTex Oil Limited

A.C.N. 118 585 649

ASX: AOK

OTCQX: ATXDY

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About AusTex

AusTex Oil Ltd (ASX: AOK) is an Exploration and Production company that is focused on the development of oil and gas leases in the USA. The company produces oil and gas in Oklahoma and Kansas. AOK holds interests in ~26,000 net acres of oil and gas leases, including acreage in the exciting Mississippi Lime play in Northern Oklahoma and Kansas.

AOK delivers stable production in April and May

Significant growth in daily production from June onwards with 300boe/day average for first 14 days

United States focused oil & gas producer and explorer AusTex Oil Limited (**ASX:AOK – OTCQX:ATXDY**) is pleased to report oil and gas production for the months of April and May 2012.

The majority of production came from the company's East Tonkawa production hub in the 5,500 acre Snake River Project.

Due to rain and flooding, the East Tonkawa Unit was shut in for safety concerns with no production for the first eight (8) days of May; however, the wells were restarted with normal production five (5) days thereafter.

Month	Total Production BOE	Average Daily Production
January	6,698	216
February	4,320	149
March	5,385	175
April	4,985	166
May	5,300	170

Daily Production expected to increase strongly from June onwards

AOK expects daily production rates to increase from June onwards as new producing wells come online. Specifically, the Balder #1 Horizontal Well (AOK: 14.15% WI) is expected to make a material contribution to daily production.

Additionally, AOK expects daily production to increase and stabilise once the first two wells at its second production hub (the Blubaugh) in the Snake River Project come on-stream in the coming weeks.

Production for the first 14 days of June averaged 300 boe/day net to AusTex.

Executive Chairman Mr. Richard Adrey commented: "Production was stable for April and May and we are very confident that production levels will pick up from June onwards, especially given the contribution from our first horizontal well in which we participated with Range Resources (NYSE: RRC). We also expect improved production from some of our existing vertical wells which have been disrupted due to some minor technical difficulties."

Managing Director Mr. Daniel Lanskey added: "Production growth is the company's primary focus. With four wells under completion and a further two vertical wells being drilled each month, AOK is well placed to deliver increased and sustainable production rates from this point onwards."

Following is the status of all of the company's wells:

Well	Status
<u>East Tonkawa Production Hub</u>	
ETU #14-5	Producing – Mississippi Lime
ETU #15-4	Producing – Mississippi Lime
ETU #17-6	Under Completion
ETU #14-7	Reached Total Depth and has been logged, cased and waiting completion in Mississippi Lime
Balder #1-30N (AOK – 14.15%WI)	Producing – Mississippi Lime
Adams #1	Completed and awaiting gas sales line and water disposal lines.
<u>Blubaugh Production Hub</u>	
Blubaugh #20-1 SWD	Disposal – Under completion
Blubaugh #20-1	Awaiting completion – Mississippi Lime
Blubaugh #21-3	Awaiting Completion – Mississippi Lime
<u>Kansas</u>	
Clarke #1	Producing – Lansing Kansas City
Cooper #1	Producing – Lansing Kansas City
Ludwick #1	Producing – Arbuckle – Waiting on SWD connection (Electricity now connected)
Mollhagen #1	Completed awaiting SWD
Quackenbush #1	Rig onsite. Drilling to commence shortly.

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