



ASX/Media Release
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Mississippi Lime development Update Snake River Project - Northern Oklahoma

AusTex Oil Limited
A.C.N. 118 585 649

ASX: AOK
OTCQX: ATXDY

Level 57, 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

Richard Adrey (Executive Chairman)
Kwang Hou Hung (Deputy Chairman)
Luis Vierma (Non-executive Director)
Daniel Lanskey (Managing Director)
Kay Philip (Non-executive Director)

Company Secretary

Justin Clyne
Tel. +61 2 9238 2363

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 highly prospective Mississippi Lime play in Northern Oklahoma and Kansas.

- **Production Hub 1 (south side of river)**
 - ETU #17-6 fracked and expected to be on pump within a week
 - ETU #14-7 expected to be fracked early July
- **Production Hub 2 (north side of river)**
 - Infrastructure well advanced
 - Third & Fourth wells on Blubaugh Leases to spud in July
- **On track to drill two production wells each month until December**

United States focused oil & gas producer and explorer AusTex Oil Limited (**ASX:AOK – OTCQX:ATXDY**) is pleased to announce that it continues to fast-track its well development program on its 5,500 acre Snake River Project in Oklahoma. AOK holds a 100% Working Interest and an 81.25% Net Revenue Interest in the Snake River Project which sits in the highly prospective Mississippian Limestone Play.

Production Hub 1 - East Tonkawa Unit

ETU #17-6 Well

The company is pleased to report that the ETU #17-6 vertical production well has successfully been hydraulically fractured in two stages and is expected to be on pump within the next week. The well is currently flowing back and installation of surface equipment and flow lines is underway. Recent drilling on the well reached a Total Depth (TD) of 4,680 feet. The well was deepened through 350 feet of the Mississippi Lime interval and had oil shows in the samples and in the pits during drilling. The well has been completed for production from the Mississippi Lime interval.

ETU #14-7 Well

The frac tanks and associated equipment have now been moved to ETU #14-7 production well with a frac date scheduled in the first week of July. The well reached a TD of 4,674 feet and encountered 375 feet of the Mississippi Lime interval and is to be completed for production in the Mississippi Lime.

Once both wells are completed, AusTex will have three producing vertical wells and one horizontal well in the Production Hub 1 area.

The company is also in the process of assessing additional participation opportunities in horizontal wells following the success of the Balder #1 production well in partnership with Range Resources (NYSE:RRC).

Production Hub 2 - Blubaugh Lease

The well development program at Production Hub 2 on the north side of the river is also continuing, with drilling of a third well commencing next week. The location of this well is currently being surveyed.

AOK's Executive Chairman Mr Richard Adrey said: "Our well development program at both production hubs in the south west portion of the Snake River are well on track. We are very encouraged by our recent production numbers and as stated our aim is to significantly increase production in the short term".

"With the development of two production wells each month at Snake River, and a ramp up in exploration activities in Kansas, we are confident that we can achieve growing and sustainable production from this point onwards."

AOK will update shareholders on its drilling program in Oklahoma and Kansas in the coming weeks and the status of well completion activities at Snake River.



Figure 1 – Powerline Construction at Production Hub 2



Figure 2 – Tubing being run into Blubaugh #20-1 SWD



Figure 3:- Frac pond construction on Production Hub 2

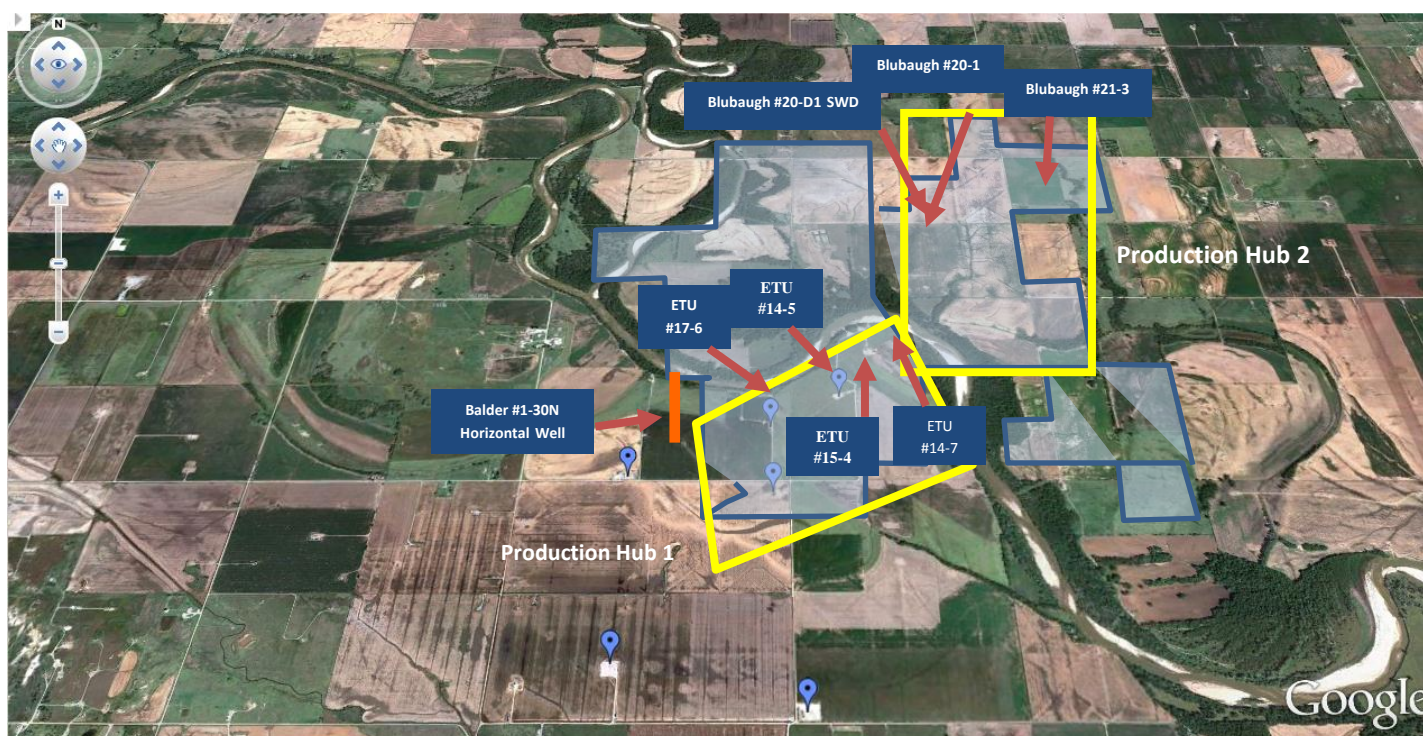


Figure 5 – Location of production hubs in southwest area of Snake River Project

For further information please contact:

**Daniel Lanskey,
Managing Director
Australia +61 408 885018**

**Richard Adrey
Executive Chairman
USA +1 918-743-7300**

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