

AusTex Oil Limited

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(Non-executive Director)

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

Mississippi Lime Development update Snake River Project, Kay County, Northern Oklahoma

- **9th vertical production well Successfully reaches TD**
 - **Multiple stacked zones with Hydrocarbons**
- **5 vertical wells now on pump**
- **4 additional vertical wells in various stages of completion**

United States focused oil & gas producer AusTex Oil Limited (**ASX:AOK – OTCQX:ATXDY**) is pleased to update shareholders on its continued well development program at the company's 100% owned 5,500 acre Snake River Project in Kay County, Oklahoma.

AusTex has now drilled 10 vertical wells (nine production wells and one salt water disposal well) at its Snake River Project to an average depth of 4,750 feet and at an average cost of \$600,000 per well.

The #20-1D Salt Water Disposal (SWD) well is now approved and operational at Production Hub No. 2. Five production wells are now on pump with a further four wells awaiting completion.

Additional development wells have been permitted, and AusTex is on schedule to drill two new vertical wells each calendar month between now and December. As announced on 12 September, AusTex has also entered into agreements to participate in up to 4 new horizontal wells with Range Resources Corporation (NYSE: RRC) in the coming months.

New vertical and horizontal wells will have a material impact on AusTex's production as these wells come on pump.

Production Hub No. 2 – Drilling Operations

#20-2 well

The well successfully reached TD of 4,835 feet below the Wilcox sand interval. **Samples and logs have confirmed multiple stacked intervals with hydrocarbons including the Mississippi Limestone, Woodford Shale and Wilcox Sands.** The well has been cased and the hydraulic frac will be done in the Mississippian interval on 24 September, after which it will be shut in for a period of time, flowed back and completed.

#20-5 well

Hydraulic Fracturing operations were successfully completed across two stages of the Mississippi Lime interval between 4,316 feet and 4,604 feet. The well has been shut in for a period of time, flowed back and then completed for oil production thereafter.

Production testing update**ETU #14-7**

The #14-7 has been fitted with a rod pump and pump jack and is currently producing from the Mississippi Lime lower porosity interval (Mississippi Solid) **and is recovering frac load along with 40 barrels of oil equivalent per day (BOEPD)**. Additional perforations are scheduled along with stimulation of the Mississippi Chat interval above the Mississippi Solid in the coming weeks with production planned from both intervals.

Blubaugh #20-1

The Blubaugh #20-1 well is the first production well connected into Production Hub No. 2 on the north side of the project. Production testing commenced on 1 September with the well fitted with a rod pump and pump jack. **Over the first 13 days, the well has averaged 55 barrels of oil per day plus associated high BTU gas, while still pumping back frac load. Gas sales infrastructure is nearing completion with the well expected to commence gas sales early next week.**

AusTex's Executive Chairman Mr Richard Adrey commented: "We are making excellent progress with our well development program and we are continuing to maintain our target of drilling two new vertical production wells each month.

"We are also very encouraged by the outcomes from the production testing of the 14-7 and the 20-1. This is further evidence that the Snake River project is shaping up to deliver much higher and sustainable rates of production as we continuously bring new wells on pump.

"We look forward to updating shareholders on our production rates, as well as our horizontal and vertical well development programs."

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Well Status Update – Snake River Project - Northern Oklahoma

	<u>Well</u>	<u>Status</u>	<u>Comments</u>
Production Hub No. 1 AOK 100%	<u>#14-5</u>	Producing	
	<u>#15-4</u>	Producing	
	<u>#17-6</u>	Producing	
	<u>#14-7</u>	Production Testing Miss Lime solid 14 days	Miss Chat to be perforated and completed. 40boep/d
Production Hub No. 2 AOK 100%	<u>#20-D1 SWD</u>	Operational	Waiting on Gas sales line completion
	<u>#20-1</u>	Production Testing 7 days	55 bopd along with frac load and associated gas
	<u>#20-2</u>	Frac set for 24 Sept	
	<u>#20-3</u>	Fracked & waiting flow back & completion	
	<u>#20-4</u>	Fracked & awaiting Flow back & Completion	
	<u>#20-5</u>	Drilled and Cased	
Horizontal Wells Range Production Co. Operator	Balder #1-30N AOK 13.76% Working Interest	Producing	