



\$12.5m Capital Raising to Accelerate Development of Mississippi Lime Play

- AOK undertakes A\$12.5 million equity raising to fund development of acreage in Mississippi Lime Play
- Placement strongly supported by existing shareholders and new investors
- AOK well funded to pursue its next growth phase in the light oil sweet spot of Mississippi Lime Play

AusTex Oil Limited (**ASX: AOK – OTCQX: ATXDY**) (“AusTex” or the “Company”) is pleased to announce an equity capital raising to raise up to A\$12.5 million (“Offer”) which will fund the appraisal and development of the Company’s acreage in the light oil sweet spot of the Mississippi Lime Play.

The Offer comprises:

- A Placement of approximately 83.3 million new fully paid ordinary shares to sophisticated and professional investors at a price of \$0.12 per share (“Issue Price”) which raised \$10.0million; and,
- A Share Purchase Plan (“SPP”) of up to \$15,000 per eligible shareholder at the Issue Price to raise up to \$2.5 million.

GMP Securities is Sole Lead Manager and Bookrunner to the Placement.

The Placement was strongly supported by existing shareholders and new investors, and has resulted in a number of domestic and institutional investors joining AusTex’s register.

The Placement will be completed in two tranches with the first tranche of 29.3 million shares expected to settle on Wednesday 24 October 2012, and the second tranche of approximately 54 million shares subject to shareholder approval at an Extraordinary General Meeting expected to be held on or around 21 November 2012 with the date to be confirmed.

The SPP will provide eligible shareholders (being those persons registered as ordinary shareholders as at 7pm EDST on Tuesday 16 October 2012 who reside in Australia or New Zealand) with the opportunity to subscribe for new ordinary shares in AusTex at the same price as the Placement. Further details of the SPP will be provided to eligible shareholders in due course.

Use of Proceeds

Net proceeds from the Offer will be used to fund appraisal and development of AusTex’s acreage in the light oil rich sweet spot of the Mississippi Lime Play, including:

- Participating in additional horizontal wells with Range Resources Corporation (NYSE: RRC), including an offsetting well to the highly successful Balder #1-30N (1st 30-day average rate 899 boepd, 70% oil);

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
<https://twitter.com/AusTexAOK>

Directors

Richard Adrey
(Executive Chairman)

Kwang Hou Hung
(Deputy Chairman)

Justin Clyne
(Non-executive Director and
Company Secretary)

Daniel Lanskey
(Managing Director)

Kay Philip
(Non-executive Director)

Luis Vierma
(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 and gas leases, including acreage in the highly prospective Mississippi Lime play in Northern Oklahoma and Kansas.

- Continuation of the two vertical well per month program at the company's 100% owned Snake River Project in Northern Oklahoma;
- Drilling activity at AusTex's properties in Kansas; and
- Pursuing opportunities to expand AusTex's acreage position via land acquisitions and joint ventures.

Commenting on the Offer AusTex's Managing Director Dan Lanskey, said:

"We are very encouraged by the strong support for this Placement and it is a solid endorsement of the quality of AusTex's acreage position, its production success to date, and the Company's strategy of targeting the light oil sweet spot of the Mississippi Lime Play.

"The result from Balder #1-30N is very encouraging for our future horizontal well program with Range Resources which will complement our growing, low risk vertical production. Funds raised under the Offer will enable AusTex to fast track appraisal and development activity in our core area and drive production growth.

"We are pleased to welcome a number of new institutional investors to the AusTex register and we are grateful for their support. Their investment provides the Company with a strong platform to pursue its next phase of growth. In addition, AusTex is pleased to offer existing shareholders the opportunity to gain further exposure to AusTex at the same price as the Placement."

For further information please contact:

Daniel Lanskey,
Managing Director
Australia +61 408 885018

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

Released through Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448

Follow Austex on Twitter: <https://twitter.com/AusTexAOK>