

ASX/Media Release

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Vertical well development program continues at Snake River Project

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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 and gas leases, including acreage in the highly prospective Mississippi Lime play in Northern Oklahoma and

- **ETU #1-7 well reaches Total Depth and is currently awaiting completion**
- **ETU #1-7 is 11th vertical production well drilled at Snake River**
- **Multiple hydrocarbon zones intersected including 371 gross feet of Mississippi Lime interval**
- **Horizontal well participation program with Range Resources progressing**

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.

Production Hub 2: ETU #1-7 well

AusTex is pleased to announce that the ETU #1-7 well successfully reached total depth at 4,690 feet. Samples and logs have confirmed multiple hydrocarbon zones including the Layton, Cleveland, Skinner, Red Fork and Mississippi Lime intervals.

The Mississippi Lime interval was logged at 371 gross feet, with porosity breaks of between 5% and 12% in the lower section and Chat porosity of up to 15%. The well has been cased and cemented and is now awaiting completion for production testing in the Mississippi Lime.

The #1-7 well is the 11th production well that has been drilled at Snake River. Two additional vertical production wells will be drilled during November and a further two in December. Currently the #20-2 and #20-5 vertical wells are being prepared for production testing with the #21-3, ETU #1-6 and ETU #1-7 drilled and cased waiting to be hydraulically fractured. Oil and gas production will increase as these wells are completed.

Executive Chairman Richard Adrey commented: *"Our vertical well development program at Snake River is continuing to progress as scheduled. We are pleased with the samples and logs from the ETU#1-7 well which confirms multiple hydrocarbon bearing zones.*

"We remain committed to drilling two vertical production wells per month, with two more wells on track to be drilled in November and a further two in December.

"As well as an ongoing program of drilling two new vertical wells each month, we currently have 5 wells in various stages of development at the Snake River Project. As a result, we expect that these wells will lead to a significant increase in production in the coming months. Production growth is our key focus at this time."

Mr Adrey also said the company's horizontal well participation program with Range Resources Corporation (NYSE:RRC) is on track, with the Hod #19-1N expected to spud in October.

AusTex expects to update shareholders on its monthly production rates towards the end of October, and will also report on its vertical and horizontal well development program in the coming weeks.

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