

ASX/Media Release

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AusTex Oil Limited

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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 highly prospective Mississippi Lime play in Northern Oklahoma and Kansas.

Vertical well development program at Snake River continues with further drilling Success

- Read #20-8 vertical well successfully reaches TD
- Well log data confirms high porosity intervals in Mississippi Lime
- Presence of hydrocarbons encountered across multiple intervals
- Multiple secondary targets in each well drilled to date
- Many new participants entering Mississippi Lime play

United States mid-continent focused oil & gas producer AusTex Oil Limited (**ASX:AOK – OTCQX:ATXDY**) is pleased to update shareholders on its vertical well drilling program at the Company's 100% owned Snake River Project in Northern Oklahoma.

Read #20-8 Well reaches TD

Drilling operations on the Read #20-8 vertical well successfully reached TD at 4,730 feet over the weekend. Continuing the regional trend, the well intersected 355 gross feet of the target Mississippi Lime interval including 30 feet of chat with 8-16% porosity with additional porosity streaks logged in the solid with oil wet samples captured.

Logs and samples indicate the presence of hydrocarbons in additional intervals including the Woodford Shale and the Skinner and Cleveland Sands. Casing has been run and cement set with the well to be completed for oil and gas production.

AusTex's Managing Director, Daniel Lanskey commented:

"As reported last week, the Read #20-8 represents the 16th vertical well drilled at the Snake River project, and these initial results confirm that our aggressive vertical well development strategy is yielding excellent outcomes.

"We have now drilled two vertical wells in the month January and the Drilling Contractor is scheduled to commence drilling two new locations from early February. Our focus for the remainder of January is on development activities to ensure additional vertical wells enter production as soon as possible."

Mr. Lanskey added that investment in the Mississippi Lime play was increasing significantly, with many operators focusing on liquid rich targets in Northern Oklahoma.

"Interest in the Mississippi Lime play is attracting major players, with Repsol, Shell, and Apache Corporation entering the play in the last 12 months. This clearly vindicates our earlier decision to focus on the Mississippi Lime play in which we now hold approximately 23,000 net acres.

"Our focus for the last year has been developing the Snake River Project in Northern Oklahoma which is located in Kay County, east of the Nemaha Ridge. In the immediate area surrounding our acreage, drilling activity has increased substantially with Range Resources (NYSE:RRC) now reporting 5 active rigs in the adjacent leases.

"We have participated in 2 horizontal wells with Range and have more to follow. To our north, Triple Diamond has reported success with their Hofmeister 21-1 Horizontal Well and other operators are successfully developing wells to our east. The southern edge of Snake River borders on the Noble County line with a number of operators including Redfork Energy (ASX:RFE) reporting drilling success.

"Well data from our own wells confirm the consistent thickness of the reservoir and production results demonstrate a high oil ratio in the region. We will continue to drill two

new vertical wells a month at Snake River and are focused on continuing to grow our oil and gas production as new wells are completed."

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