

25 July, 2014

Ms Stephanie So

Senior Adviser, Listings Compliance (Sydney)

**RESPONSE TO ASX PRICE AND VOLUME QUERY**

We refer to the ASX's letter dated 24 July 2014 in relation to the change in the price of the Company's securities from a close of \$0.205 on 23 July to an intra-day high of \$0.24 on 24 July and the increase in the volume of trading in securities.

In response to the questions detailed in the ASX's letter the Company responds as follows:

1. The Company is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.
2. Not applicable.
3. The Company is not aware of any explanation as to the recent trading in its securities. The Company does however note that last week it presented at the Noosa Mining and Exploration Conference with the presentation released to the market on 17 July. The conference was well attended with the Company receiving a great deal of interest and enquiries from attendees.

The Company also advises that it is in the process of preparing its Quarterly Activities Report for the period to 30 June for release to the market prior to the end of the month. The Quarterly Report will contain the monthly production numbers for June which are still being collated. The Company does not expect the production numbers for June to be a factor influencing the recent trading in its securities as it stated in its Monthly Production Report for May as follows:

*"Consistent with prior disclosure in recent months, due to the increased focus on the build out and development of infrastructure in the north of Snake River, the Company's ability to turn new wells on near term will be restricted until all phases of the infrastructure come on line. As a result of excess pressure in the existing production lines, production has been hindered which has created the necessity for the Company to focus on development and infrastructure. Accordingly, this increased pressure will limit the Company's ability to turn on wells in June with the result that gross production is anticipated to be less than May. The Company presently has 18 wells in various stages of pre-production which will add significantly to production as these are brought on line in coming months."*

4. The Company confirms that is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Justin Clyne'.

**JUSTIN B CLYNE**

Non-Executive Director & Company Secretary



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24 July 2014

Mr Justin Clyne  
Company Secretary  
Austex Oil Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000

By email

Dear Mr Clyne,

**Austex Oil Limited (the “Company”): ASX price query**

We have noted a change in the price of the Company’s securities from a close of \$0.205 on 23 July 2014 to a high of \$0.24 at the time of writing today, Thursday 24 July 2014.

We also note an increase in the trading volume of the Company’s securities.

In light of the price and volume increase, ASX asks you to respond separately to each of the following questions:

1. Is the Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
  - a) Is the Company relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Company’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Company may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
  - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
  - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Company may have for the recent trading in its securities?
4. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

## **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9:30 a.m. AEST) on Friday, 25 July 2014. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

## **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Company to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

## **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Stephanie So

**Senior Adviser, Listings Compliance (Sydney)**