



MONTHLY PRODUCTION AND OPERATIONS UPDATE – SNAKE RIVER PROJECT

AusTex Oil Limited

A.C.N. 118 585 649

ASX: AOK
OTCQX: ATXDY
TSX-V: ATO

Corporate Snapshot

Market Cap: \$124m @
\$.22 p/share
Shares on issue
Ordinary: 562.5m
Preference: 116.7m
Options: 83.2m
Shareholders: 2,270

Directors

Michael Stone
(Non-Executive Chairman)

Richard Adrey
(Managing Director)

Nick Stone
(Non-Executive Director)

Russell Krause
(Non-Executive Director)

Justin Clyne
(Non-Executive Director &
Company Secretary)

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HIGHLIGHTS

- Production for August of 37,737 BOE – average 1,217 BOE/day
- 6 additional vertical wells drilled during August
- 4 new wells entered production during the month
- 51 wells in production and 20 wells in pre-production phases
- Commencement of gas sales
- New Snake River acreage acquired – total holding of 9,700 acres

AusTex Oil Limited (ASX:AOK, OTCQX:ATXDY, TSXV:ATO, AusTex or the Company), is pleased to provide shareholders with this production and operations update for August.

PRODUCTION UPDATE

Total production was 37,737 BOE from AusTex's producing wells at Snake River and non-core projects in Oklahoma and Kansas. This equates to average daily production of 1,217 BOE/D, a 37 BOE/D decrease on July (refer Table 1). Approximately 97% of the Company's production in August from the Company's flagship Snake River Project.

AusTex now has 51 wells in production at Snake River, comprising 47 Company operated wells and 4 non-operated wells. Producing wells (as per Table 2) are defined as either pumping or in the flowing/testing phase. 20 additional wells are in various stages of pre-production.

The Company is also pleased to report that construction of gas infrastructure in the western part of the Snake River project has been substantially completed with initial gas sales commencing in August.

The production impact from new wells being brought online was more than offset by the need to turn off producing wells near to wells being fracture stimulated in the month and gas line constraints that limited the effectiveness of new well starts. That trend accelerated into September as the gas pipeline approached completion and production became more imminent for uncompleted wells. As reported last month, the Company is expecting that the new wells to be brought online will have a positive impact on production from October onwards.

OPERATIONS UPDATE

During the month, 6 new vertical wells were drilled. This is in line with AusTex's strategy of building its inventory of vertical wells to strengthen future production.

AusTex increased its land holding at Snake River in August. The Snake River Project now comprises ~9,700 acres which gives AusTex significant scope for production growth over the longer term.

FORWARD WORK PLAN

AusTex is continuing to build multiple production locations and continued to drill at a pace of 6 new vertical wells in September. A key focus for AusTex is to complete the build out and development of its gas gathering infrastructure at Snake River. Two of the legs of the gas gathering infrastructure have now been completed (serving the southwest and southeast of the field) with the remaining pipelines due for completion in the next 45 days.

This has been a considerable investment by AusTex and will result in a revenue uplift from the current quarter onwards. The company looks forward to updating shareholders more fully on its gas gathering investment and resulting production shortly.

FUTURE PRODUCTION REPORTING TIMETABLE

Due to a change in the delivery methodology of production results from AusTex's non-operated wells, the timeframe in which AusTex receives this information will delay the Company's monthly production report to shareholders. The Company will continue to report its monthly production as soon as it receives that information from its operating partners.

TABLE 1: NET MONTHLY PRODUCTION AND CUMULATIVE ANNUAL TOTAL

Month	Monthly Production (BOE)	Average Daily Production (BOE)	Change from Previous Month	Cumulative Calendar Year Production (BOE)
January	29,223	942	-	29,223
February	27,679	989	+ 5 %	56,902
March	32,017	1,033	+ 4.45 %	88,919
April	34,002	1,133	+ 9.68 %	122,921
May	39,482	1,273	+ 12.35 %	162,403
June	36,807	1,227	- 3.62%	199,210
July	38,888	1,254	+ 2.2%	238,098
August	37,737	1,217	- 3.0%	275,835

TABLE 2: TABLE OF PRODUCING AND PRE-PRODUCTION WELLS AT SNAKE RIVER AS AT 31 AUGUST, 2014

Well Counts as of:	31/07/14	31/08/14
Pumping – Non Operated	4	4
Pumping - Operated	38	40
Flowing / Testing	5	7
Drilled and Fracced only	10	11
Drilled only	8	9
Total Wells	65	71

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About AusTex

AusTex Oil Ltd 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 oil and gas leases, including acreage in the highly prospective Mississippi Lime Play in Northern Oklahoma and Kansas. The Company's flagship 100%-owned Snake River Project in the Mississippi Lime Play currently delivering average monthly production in excess of 1,200 BOE.