



SEPTEMBER 2015 QUARTERLY ACTIVITIES REPORT

Highlights:

SEPTEMBER QUARTER

- Quarterly Net Revenue - USD \$3.8mm.
- Quarterly Oil and Gas Production – 86.1 MBOE.
- Presentation to the Noosa Mining and Investment Conference.
- Release of the Company's H1 2015 Accounts.
- Marginal wells temporarily shut in: 9 in Oklahoma
- Strong Quarter Ending Cash Position - USD \$24M
- Additional operating cost savings achieved
- Spud to Sales cycle reduced to under 60 days in most recent completion

SUBSEQUENT TO QUARTER END

- Reduction in non-essential field staff for further cost savings.
- Ongoing Review of Investment and Acquisition Opportunities.

STRONG CASH POSITION FOR SNAKE RIVER

DEVELOPMENT AND CORPORATE OPPORTUNITIES

- USD \$24 Million in cash for continued development of Snake River and pursuit of acquisition opportunities.
- 66 Company Operated wells and 4 non-operated wells producing with an additional 6 wells in pre-production.

ASX: AOK OTCQX: ATXDY

1. AusTex's September 2015 Quarter

The Board of AusTex Oil Limited (**AusTex** or the **Company**) (**ASX: AOK - OTCQX: ATXDY**) is pleased to provide its Quarterly Activities Report for the quarter ending 30 September 2015.

Significant Events During the September Quarter		
1	Presentation to the Noosa Mining Conference	16 July
2	Release of Half Yearly Report and Accounts	31 August
3	Release of Half Year Reserve Report	31 August

Table 1: Summary of Significant Events during the September 2015 Quarter.

2. Operations Overview

The Company's primary focus will continue to be on oil and gas exploration, development and production at its 100% owned Snake River Project in Kay County, Northern Oklahoma targeting the liquid rich Mississippi Lime formation.

With the Company's focus on producing oil and gas in Oklahoma, AusTex only retains a legacy tail of production in Kansas contributing around 1 to 2% to the Company's overall production. Consistent with its strategy outlined over the last year, AusTex is no longer pursuing any additional activities in Kansas and proposes to allow its Cooper, Colby and Ellsworth Leases to expire where the acreage is not presently held by production (refer Table 6 for a summary of the Company's acreage position in Kansas which has decreased significantly in the past year).

3. Production and Revenue

As announced in the last quarterly activities report, in late June the decision was made to commence releasing the casing pressure constraints on the Company's wells and it has been pleasing to note across the September quarter that production from constrained wells has slowly but favourably rebounded. With the volatility in the oil price, the release of casing pressure was done incrementally, and at various times halted, to ensure both preservation of oil in the formation by not releasing the pressure too rapidly and also to match production with the Company's hedging requirements as best as could be achieved. This strategy will continue in the near term with the Company continuing to monitor oil prices, and revisit the strategy should the forward curve steepen from current levels.

The Company's 7 month drilling hiatus which began in the middle of December 2014 in response to the rapid decline in the oil price ceased in mid-July with the first well drilled for 2015, the Wyckoff #29-6, which was drilled into the Mississippian formation in the south western quadrant of the Snake River field. Consistent with the company's communicated operational focus, the spud to sales cycle for the well was reduced to 56 days. The well is still in the early stages of production, within the 90 day flow back period, and is currently producing approximately 25 BOE/D including 15 BBL/D of oil. An additional two wells were fraced during the quarter, the Detten #33-1 and the Detten #33-3 with both wells now on pump.

The current oil price environment means that a robust program of drilling at this point is not in the best interests of shareholders. Drilling will continue only when selling oil from new wells into the forward curve presents a favourable return. If the current commodity price environment persists, AusTex will seek to drill wells opportunistically to enhance its understanding of the complicated Mississippian geology, enabling a higher quality and more consistent drilling program once oil price rebounds. The Company's overall strategy is dependent on oil and gas prices remaining at levels where drilling new wells provides an attractive return.

The Board is confident that its strategy is appropriately conservative, given the current environment, to ensure the long term creation of shareholder value. As of September 30 there was a small increase in the Company's cash position from the previous quarter. The September quarter's production saw only a modest decline on the previous quarter. Production numbers by month for 2015 to date are shown in *Table 2* with the quarterly total in *Table 3*.

Month	Monthly Production (BOE)	Average Daily Production (BOE)	Change from Previous Month	Cumulative Calendar Year Production ('000BOE)
January	39,313	1,268	-7.6%	39.3
February	31,999	1,143	-9.9%	71.3
March	36,794	1,187	3.9%	108.1
April	31,829	1,060	-10.7%	139.9
May	30,616	1,020	-3.8%	170.5
June	29,200	973	-4.6%	199.7
July	31,625	1,020	4.8%	231.3
August	28,768	928	-9.1%	260.1
September	25,690	856	-7.8%	285.8

Table 2: Monthly Production and Cumulative Annual Total for 2015.

Quarter Ending	Total Production ('000BOE)	Change from Previous Quarter	Cumulative Calendar Year Production ('000BOE)
31 March	108.1	-14.4%	108.1
30 June	91.6	-15.3%	199.7
30 September	86.1	-6.0%	285.8

Table 3: Quarterly Production and Cumulative Annual Total for 2015.

A summary of the Company's producing and pre-production wells at Snake River at the end of the September quarter is shown in *Table 4* below.

Well Count as of:	31 March 2015	30 June 2015	30 September 2015
Pumping – Non Operated	4	4	4
Pumping – Operated	71	71	66
Flowing / Testing	2	2	1
Drilled and Fraced only	2	2	1
Drilled only	5	5	4
Current Shut-In	0	0	9
Total Wells	84	84	85

Table 4: Wells by stage of production process for the previous three quarters.

Well Count as of:	EoP 30 June:	New inflow	Xfer to Frac	Xfer to Flow	Xfer to Pump	Xfer to Shut-In	EoP 30 Sept.:
Pumping – Non Operated	4	0	0	0	0	0	4
Pumping - Operated	71	4	0	0	0	9	66
Flowing / Testing	2	0	0	0	1	0	1
Drilled and Fraced only	2	0	0	0	1	0	1
Drilled only	5	0	0	0	1	0	4
Current Shut-In	0	0	0	0	0	0	9

Table 5: Summary of Producing and Pre-Production Wells at Snake River as at 30 September, 2015 showing movement of wells across categories from 30 June 2015.

Net Revenue from operations for the September quarter was USD \$3.8m (net to AusTex after royalties and taxes of USD \$0.6m). Capital investments made during the quarter for development were USD \$0.7m. Cash and cash equivalents on hand at the end of quarter was USD \$24.0m.

4. Oklahoma

4.1 Snake River Project, Kay County, Northern Oklahoma – ~11,200 acres AusTex 100% Working Interest (WI) ~81% Net Revenue Interest (NRI)

The Snake River Project is located in Kay County, Northern Oklahoma, is the Company's primary focus and is expanding both its acreage position and, during favourable oil price environments, it's drilling commitments through the execution of its vertical well development strategy. The centre of the project lies approximately 5 miles south west of Ponca City and the general area hosts significant infrastructure including an oil refinery, gas gathering facilities, gas sales lines and a compression and liquids stripping plant owned by other companies.

Vertical Well Development

AusTex is the operator of the Snake River Project and continues to develop vertical wells with the primary target being the Mississippian interval which is approximately 4,300 feet below surface (or deeper according to structural relief). The Company's forward work plan for Snake River is outlined in section 3 above.

Operations

During the quarter, the Company drilled one new vertical well at the Snake River Project and fraced a further two wells. The total number of wells in production at Snake River at the end of the quarter was 70 including 4 non-operated wells. There were also a further 6 wells under completion and 9 shut-in.

5. Other Projects

5.1 Tulsa and Surrounds

During the quarter there was no significant exploration, development or production work on the Company's other acreage in Oklahoma outside of the Snake River Project. These lease areas surrounding Tulsa contributed only a nominal amount to production in the quarter.

5.2 Kansas

In accordance with previous announcements to the market, given the success of the Snake River Project in Northern Oklahoma, following on from previous quarters there was no exploration, development or production work on the Company's acreage in Kansas in the September quarter. The Company continues to review its acreage throughout Kansas as it prioritizes the acceleration of development and production at Snake River. After having discontinued most of its operations in Kansas over the course of 2014, the Kansas leases contributed only a nominal amount to production in the quarter.

6. Lease Operating Schedule

Pursuant to Listing Rule 5.4.3, a schedule of the Company's leases and interests therein is provided as follows (gross acreage shown).

Lease Name	Net Acreage	Wi	NRI	Status	County, State
Snake River	~11,200	100%	~81%	Development Producing	Kay County, OK
Tulsa and surrounds	~600	100%	81%	Producing	Tulsa, OK
Cooper	~500	53%	38%	Producing	Sheridan, KS
Ellsworth	~500	50%	38%	Producing	Ellsworth, KS
Colby	~500	70%	59%	Not Producing	Thomas, KS

Table 6: AusTex Oil's Lease Operating Schedule, as at 30 September Quarter 2015; however, please note no further development is planned for Cooper, Ellsworth or Colby Counties in Kansas. The majority of those leases will expire where not currently held by production.

7. Corporate Update

A summary of key corporate activity during the September quarter is outlined in *Table 1* above.

7.1 AusTex Presentation to the Noosa Mining and Exploration Conference:

On 16 and 17 July the Company presented and was an exhibitor at the Noosa Mining and Exploration Conference. This was the second time the Company has presented at this conference and was once again well attended.

7.2 Introduction of Quarterly Investor Call:

AusTex is also pleased to advise shareholders that commencing with the release of its Quarterly Activities Report for the quarter ending 31 December 2015, it will be introducing a Quarterly Presentation Call in which shareholders can dial in and hear from management in the US about the Company's current activities.

8. Events Subsequent to the Quarter

In response to the continued low oil price, the Company has endeavoured to consistently reduce or eliminate unnecessary or inefficient expenses including but not limited to non-essential expenses, underutilized staff and reductions in pricing of necessary services. Subsequent to the Quarter end non-essential field staff was significantly reduced. Total reductions including events subsequent to the quarter are projected to result in ongoing cost savings of approximately USD \$100K per month.

For and on behalf of AusTex Oil Limited

Justin B Clyne

Non-Executive Director & Company Secretary
30 October 2015