

ASX/Media Release

4 September 2013



Drilling and operational progress on track at Snake River

- **Klinger 24-3 Vertical Production Well successfully reaches TD**
 - Logs and Samples confirm hydrocarbons
 - Cased awaiting frac and completion
- **Bonfy 24-D1 Salt Water Disposal Well completed**
 - Completed through the Arbuckle to Granite
 - Cased awaiting completion and final testing
- **Production Hub No.3 infrastructure work nears completion**
- **3 wells to start producing and 6 to be drilled shortly at Production Hub No.3**

United States focused oil and gas producer, AusTex Oil Limited (ASX: AOK, TSX-V: ATO, OTCQX: ATXDY), is pleased to report the following operational and well development update for the company's 100% owned and operated Snake River Project in Kay County, Oklahoma.

Klinger 24-3 Vertical Production Well

Drilling operations on the Klinger 24-3 well reached a TD of 4,390 feet over the weekend. Samples and logs confirm the presence of hydrocarbons in the targeted Mississippian interval between 3,967 feet and 4,325 feet. The well also intersected 40 gross feet of the underlying Woodford Shale which recorded hydrocarbons present in both samples and logs.

The well has been cased and will be completed for production testing in the coming weeks.

Bonfy 24-D1 Salt Water Disposal Well

Drilling on the Bonfy salt water disposal (SWD) well in Section 24 successfully reached a Total Depth (TD) of 5,670 feet. The well was drilled into the Arbuckle Formation and has been cased to the top of the Arbuckle Granite and will be completed as a Salt Water Disposal well over the next ten days. The well will service up to 15 Vertical Production wells.

Three Vertical Production wells, including the Klinger 24-3, have already been drilled which will initially utilise the Bonfy SWD. Completion of the associated surface facilities is expected to be completed before the end of the quarter while other wells are drilled in the area.

Executive Chairman Richard Adrey commented: *"We continue to execute our active well development program on schedule, drilling two production wells per month and hydraulically fracturing and completing additional wells for production."*

"Operations at Snake River's third production hub will commence shortly following the completion of the Bonfy Salt Water Disposal well and associated infrastructure. We have successfully drilled the Klinger 24-3 well which will utilise the Bonfy SWD well, and we expect this to come on stream in the coming weeks."

"Production hub 3 has three wells due to start producing very shortly, and another 6 area wells to be drilled by the end of the calendar year. These newly drilled wells on the eastern edge of the project, along with our other producing wells at Snake River, will continue to drive production growth towards our target of 1,000 boe/day by the end of the calendar year."

AusTex will also shortly update shareholders on its production results for the month of August.

AusTex Oil Limited

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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.



Figure 1 Location of AusTex Operations near Ponca City, Oklahoma

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