



MONTHLY PRODUCTION AND OPERATIONS UPDATE

AusTex Oil Limited

A.C.N. 118 585 649

ASX: AOK
 OTCQX: ATXDY
 TSX-V: ATO

Corporate Snapshot

Market Cap: \$70.8m @
 \$.16
 cents/share

Shares on issue
 Ordinary: 442.4m
 Preference: 116.6m
 Options: 133.3m
 Shareholders: 1,820

Directors

Richard Adrey
 (Managing Director & Interim
 Chairman)

Nick Stone
 (Non-Executive Director)

Russell Krause
 (Non-Executive Director)

Daniel Lanskey
 (Non-executive Director)

Kay Philip
 (Non-executive Director)

Luis Vierma
 (Non-executive Director)

Justin Clyne
 (General Counsel & Company
 Secretary)

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HIGHLIGHTS

- Drilling and development progressing well at Snake River Project
- Production for February was 27,679 BOE – average 989 BOE/day
- ~440 acres of new mineral leases added in core area of interest
- Vertical well results consistent throughout area
- One new production well added
- Participated in Balder #2-30 horizontal well with Range Resources
- ASX classification for AusTex changed to Producer

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 February.

The adverse weather experienced in January, which is usual for this time of year, continued in February. While the weather impacted some activities the Company was able to hold production steady.

PRODUCTION UPDATE

During February AusTex's total production was 27,679 BOE from 27 producing wells. This equates to an average daily production of 989 BOE/D, a 47 BOE/D increase on January (refer Table 1).

This higher rate of production was due to one additional vertical well entering production. Supporting infrastructure to bring a further six wells into production is still awaiting completion. AusTex is confident that these wells can progressively enter production from late April onwards as infrastructure construction concludes.

OPERATIONS UPDATE

During the month no new vertical wells were drilled due to the fact that the company's preferred drilling contractor was engaged on another project. A rig returned to the Bonfy 24-13 site in late February with the company resuming its vertical well development program thereafter which remains on track.

The Company acquired an additional 440 acres in the Snake River Project during the month. This was on top of 700 acres as announced in the January update released in February. AusTex now holds 6,640 acres at its Snake River Project and the company intends to acquire additional holdings this year. AusTex's strategy is to add more acreage than the annual usage through drilling spaced on 80 acres per well, with the plan to increase density by down-spacing to as close as 20 acre spacing.

The company also participated in a horizontal well, the Balder #2-30 with Range Resources Corporation (NYSE: RRC), which was spudded in February. AusTex will update shareholders on the results of this well when it receives the necessary information from Range.

AusTex is also pleased to report that the ASX has agreed to grant the company 'Producer' status from its previous classification as a listed exploration company. This is a pleasing reflection of the transition AusTex has made to become a revenue-generating oil & gas production company.

FORWARD WORK PLAN

AusTex is building multiple locations with two rigs drilling a planned 6-7 vertical wells in April. As reported in the January update, multiple wells will be drilled in Areas 3 and 4 over the next month while the Company progresses with its efforts to build out a gas sales pipeline that promises to deliver gas and NGLs to a higher-paying sales point. This infrastructure work should generate a full return on investment in less than one year.

AusTex will update shareholders on its production and operational progress in March towards the end of next month.

TABLE 1: NET MONTHLY PRODUCTION AND CUMULATIVE ANNUAL TOTAL

| Month | Monthly Production (BOE) | Average Daily Production (BOE) | Cumulative Calendar Year Production (BOE) |
|----------|--------------------------|--------------------------------|-------------------------------------------|
| January | 29,223 | 942 | 29,223 |
| February | 27,679 | 989 | 56,902 |

TABLE 2: SUMMARY OF NEW WELLS DRILLED IN THE MONTH OF FEBRUARY

No new wells were drilled while sites were being prepared and our two preferred drilling rigs were committed to others however, the Company participated with Range Resources in the Balder #2-30 and more information regarding this well will be released as progress is made.

TABLE 3: WELL STATUS UPDATE AND CUMULATIVE ANNUAL TOTAL

| Month | No. of New Wells Drilled in month | No. of Producing Wells | No. of Pre-Production Wells |
|----------|-----------------------------------|------------------------|-----------------------------|
| January | 4 | 26 | 7 |
| February | 0 | 27 | 6 |

One additional well came on line during the month of February which was the Fath 28-1, which is flowing oil and gas to the tank battery.

ENDS

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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 ~22,000 net acres of 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 has 27 producing vertical wells delivering average monthly production in excess of 27,500 BOE.