

ASX/Media Release

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Drilling and Infrastructure work continues at Snake River Mississippian Project

- **Drilling underway on the Fath #28-2**
- **Rig to drill 3 wells including an additional Salt Water Disposal Well**
- **New Production Hub to underpin further production growth**
- **20 wells now producing at Snake River with 4 wells under development**
- **AusTex well placed to achieve stated target of 1,000 boe/day by year's end**

United States focused oil and gas producer, AusTex Oil Limited (ASX: AOK, TSX-V: ATO, OTCQX: ATXDY), is pleased to report that drilling is continuing at the company's 100% owned and operated Snake River Project in Kay County, Oklahoma, and infrastructure works are underway to facilitate production growth.

Fath #28-2

Drilling operations on the Fath #28-2 commenced over the weekend. Surface pipe has been set and the rig is currently drilling ahead towards an estimated Total Depth of 4,750 feet. The well is targeting the Mississippian and Woodford Shale intervals and is the 25th vertical developmental well to be drilled on the project with only one mechanical failure. TD is expected within 7 days.

The Fath #28-2 is a step out well to the north of the successful Fath #28-1 which was drilled during the June Quarter 2013.

AusTex now has 20 producing wells and 4 additional wells in various stages of pre-production at Snake River.

Additional Salt Water Disposal Wells

Additional infrastructure to support the ongoing development drilling program continues with a new Salt Water Disposal Well (SWD) scheduled to be drilled this quarter to support new production wells. Each SWD is capable of handling the water produced from approximately 15 vertical production wells.

New surface infrastructure including oil storage facilities, electric service, gas handling, and water disposal and retention are also under construction as oil and gas production increases across the project.

Executive Chairman Richard Adrey commented: *"As oil and gas production increases at the Snake River Project, additional infrastructure is required. As we continue to extend our development area and drilling plan, we are actively developing new infrastructure works in unison with the midstream pipeline company and utility provider."*

"AusTex now has 20 producing wells at Snake River, 4 additional wells in various stages of pre-production, and three Salt Water Disposal wells. We are confident that this new infrastructure will help us to achieve our stated goal of producing 1,000 boe/day by the end of calendar 2013."

AusTex will update shareholders in the coming weeks on its production performance for the month of July and its new vertical well drilling program. Photos of the recent infrastructure development works accompany this announcement.

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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.

Snake River Infrastructure upgrades are ongoing:-



Figure 1 Pump Jack Installation on new well



Figure 2 New Oil Storage Facilities and Electrical Service