



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: \$150.5m @
\$.27 p/share
Shares on issue
Ordinary: 557.5m
Preference: 116.7m
Options: 88.8m
Shareholders: 2,108

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 July of 38,888 BOE – average 1,254 BOE/day
- Vertical well results remain consistent throughout area
- 3 additional vertical wells drilled during July
- 3 new wells entered production during the month
- 47 wells in production and 18 wells in pre-production phases
- First gas from new gas gathering system expected in September
- New Snake River acreage acquired – total holding of 8,700 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 July.

PRODUCTION UPDATE

During July, total production was 38,888 BOE from AusTex's producing wells at Snake River and non-core projects in Oklahoma and Kansas. This equates to average daily production of 1,254 BOE/D, a 27 BOE/D increase on June (refer Table 1). Approximately 97.2% of the Company's production in July came from the Company's flagship Snake River Project.

AusTex now has 47 wells in production at Snake River, comprising 43 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. 18 additional wells are in various stages of pre-production.

The Company is pleased to report that construction of infrastructure in the northern part of the Snake River project will be largely completed during the next quarter. It is expected that many of the 18 wells that are awaiting tie-in can be brought online by the end of September. This is expected to have a material impact on production from October onwards.

OPERATIONS UPDATE

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

AusTex also continued to strengthen its land holding at Snake River with new acreage acquired. The Company's Snake River Project now comprises ~8,700 acres which gives AusTex significant scope for production growth from its Snake River project. In line with the company's strategy of developing its Snake River project, further acreage in Kansas was relinquished.

FORWARD WORK PLAN

AusTex is continuing to build multiple production locations and will continue to drill 4-5 new vertical wells in August with all wells to be drilled in Areas 1 (south west) and 2 (south east).

A key focus for AusTex at the present time is to continue to build out and develop its gas gathering infrastructure at Snake River. The development of these pipelines is expected to deliver gas and NGLs to higher-paying sales points. AusTex will next update shareholders on its production and operational progress for August towards the end of September.

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

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

Well Counts as of:	30/06/14	31/07/14
Pumping – Non Operated	4	4
Pumping - Operated	37	38
Flowing / Testing	3	5
Drilled and Fracced only	5	10
Drilled only	13	8
Total Wells	62	65

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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 1,250 BOE.