



ASX/Media Release

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About AusTex


AusTex Oil Ltd (ASX: AOK) is an Exploration and Production company which 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 over 75,000 acres of oil and gas leases including acreage in the exciting Mississippi Lime play in Northern Oklahoma.


Drilling commences on Mississippi Lime wells in Northern Oklahoma

Snake River Project Kay and Noble Counties, Oklahoma

~6,000 acres AOK 100% WI 81.25% NRI

-  **Drilling underway on first of two Mississippi Lime vertical wells**

-  **Additional acreage in primary target area secured – leasing continues**

-  **Range Resources (NYSE:RRC) completes second successful Horizontal Well on adjoining lease**

AusTex Oil Limited (ASX:AOK), an independent exploration and production company, is pleased to advise the following update on operations at the Snake River Project in Kay and Noble Counties, Oklahoma.

Drilling of the #15-4 development well has commenced on the 907 acre East Tonkawa Unit (ETU), located south west of Ponca City. The well is targeting multiple Mississippian aged reservoirs between 4,300 feet and 4,650 feet. TVD of 4,650 feet is expected to be reached with 5-7 days. A suite of electronic logs including Formation Micro-Imaging (FMI) will be completed.

Upon completion of drilling and logging operations the rig is to move to the west on the lease and drill the #14-5 development well targeting the same formations.

Vertical wells in the immediate area of the ETU lease have recovered up to 120,000 BOE from the 200 foot thick Mississippi Lime solid. The Mississippi Chat reservoir overlays the Lime Solid and is also known as a prolific oil producer with 20-30% porosity recorded on other wells within the ETU.

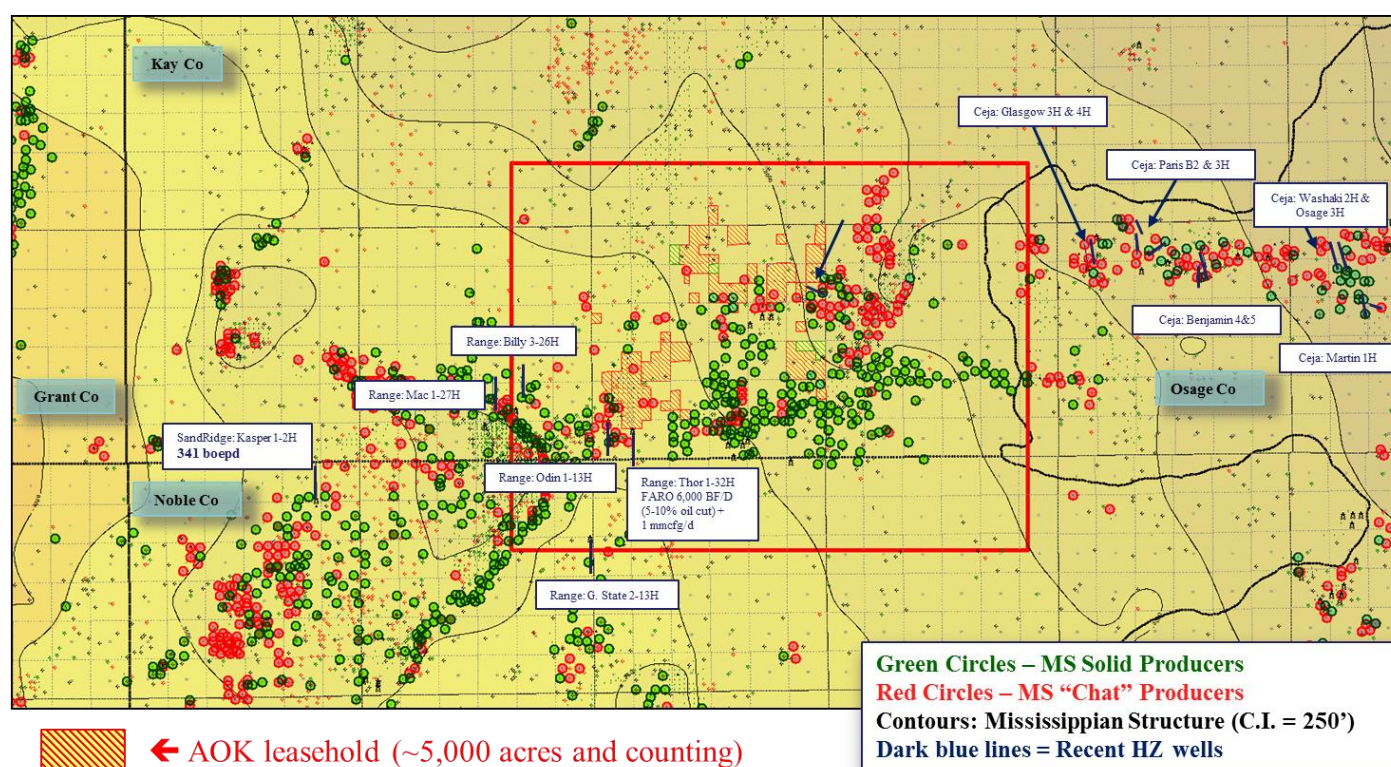
With a total investment of \$350,000 for each completed development well, the data collected from samples and logs will be used in the planning of Horizontal Development Wells planned on the lease. AOK plans to complete both wells for oil production.

Additional leasing continues in the target area with AOK leasehold interests now exceeding 6,000 acres in the Mississippi Lime play. Last week, Sandridge Energy (NYSE:SD) announced a \$US500m joint venture with a South Korean company to expedite development in the region.

Managing Director of AOK, Mr Daniel Lanskey commented, “We are now entering an exciting phase of our operations in Northern Oklahoma. The Mississippi Lime play has now been identified as a world class regional oil play and we continue to grow our acreage position on very favourable terms. Development of our leases is now underway with the drilling of our first two vertical wells. The information gained from these wells will be used to evaluate the reservoirs and plan for further vertical and horizontal development wells. Based on the surrounding success of other operators we are excited about the potential to quickly increase our oil and gas production through ongoing development drilling”.

Adjoining Lease Activity – Range Resources (NYSE:RRC) completes 2 additional Horizontal Producers

Range Resources (NYSE:RRC) has recently completed two horizontal Mississippi Lime wells that were drilled to within 400 feet of the southern boundary of the East Tonkawa Unit held by AOK. Under an agreement between AOK and Range Production Company LLC (operator) data from the two wells has been shared with AOK. In the June Quarterly update, RRC states that the 7 horizontal wells drilled in the Mississippi Play are now producing a combined 3,200 BOE/D.



For Further Information – Please contact
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