



ASX/Media Release

14 March 2012

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 exciting Mississippi Lime play in Northern Oklahoma and Kansas.

**Drilling underway on Balder #1-30N Horizontal Well
Northern Oklahoma Mississippi Lime Play**

AusTex Oil Limited (ASX:AOK – OTCQX:ATXDY) is pleased to report the following update on drilling operations in Northern Oklahoma.

Snake River Project - Balder #1-30N Horizontal Well

Section 30, Township 25 North, Range 1 East
Kay County, Oklahoma

AOK 12.25% Working Interest 9.5% Net Revenue Interest

Drilling of the Balder #1-30N horizontal development well commenced over the weekend. With an expected TFD of 9,600 feet including a horizontal section, this well is targeting the Mississippi Lime formation. The well is being drilled on a 320 acre spacing and is located directly west of AOK's recently completed Mississippi Lime producing wells. (See Figure 1 below)

A subsidiary of Range Resources Corporation (NYSE:RRC), Range Production Company Inc., is the operator and holds the remaining working interest. Drilling of the well is expected to take up to 21 days.

Background

Range Resources Corporation holds interests in ~125,000 acres of oil and gas leases within the defined Mississippi Lime play. Being one of the first movers in the horizontal development of the play, Range Resources Corporation has gained valuable experience in drilling and completing this type of well with multiple stage fracs. The economics of their wells are shown below in an excerpt from the Range Resources February 2012 Investor Presentation. www.rangeresources.com

Speaking from Tulsa, Executive Director of AOK, Richard Adrey commented, "We are extremely excited to be a working interest partner in this well with Range and look forward to working several such deals as part of our continuing program".

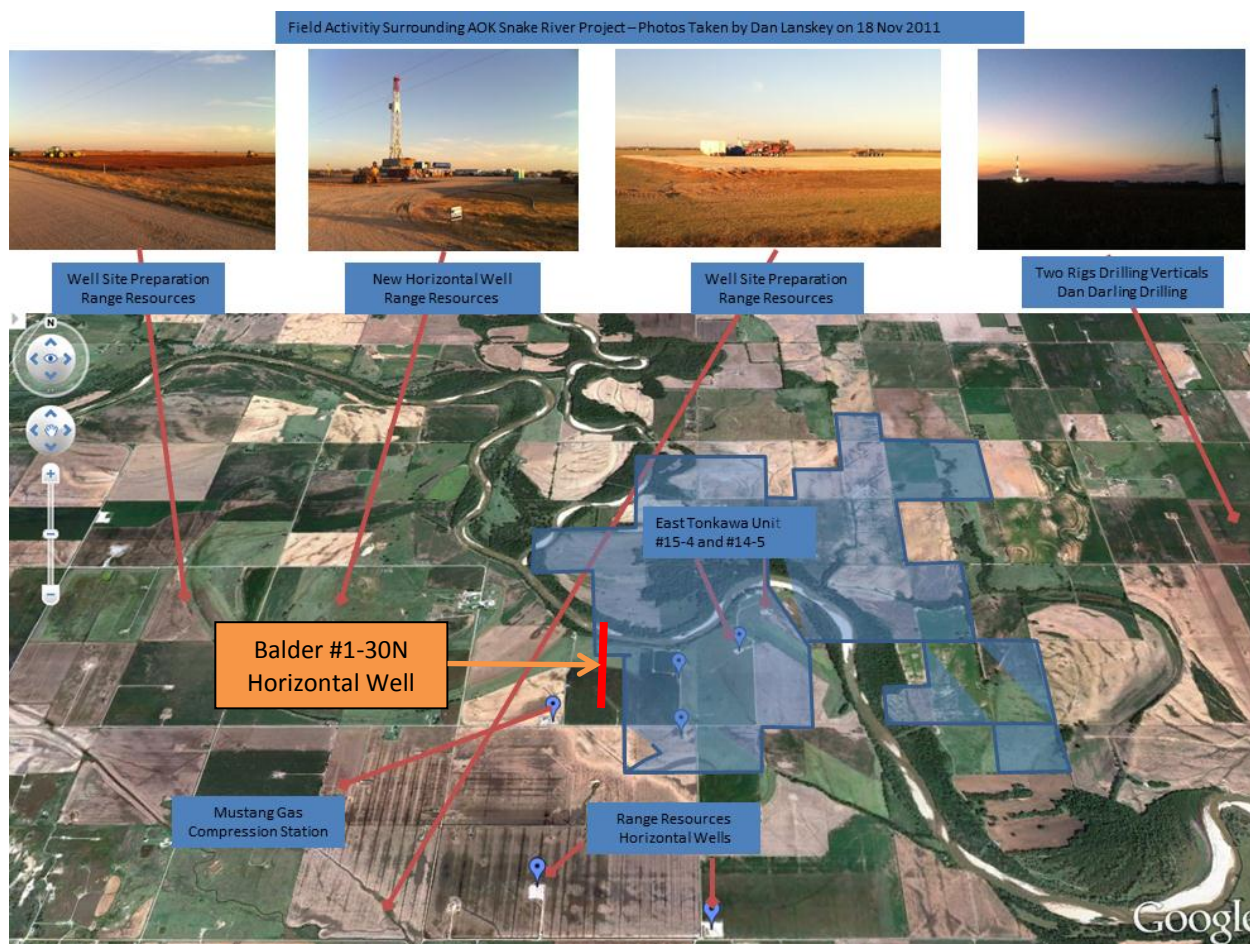
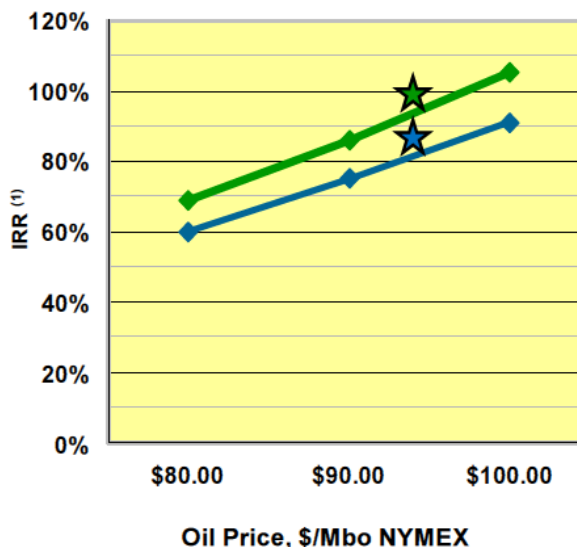


Figure 1 Location of Balder #1-30N Well in Kay County, Oklahoma

Horizontal Mississippian Development Mode Economics

- EUR – 400 Mboe (99 Mbbl condensate, 168 Mbbl NGLs, 797 Mmcf)
 - 500 Mboe (123 Mbbl condensate, 211 Mbbl NGLs, 996 Mmcf)
- Drill and Complete Capital \$3.1MM
 - Includes \$200M for SWD
- F&D – \$ 9.78/Boe – (400 Mboe)
 - \$ 7.89/Boe – (500 Mboe)

NYMEX Oil Price	400 Mboe	500 Mboe
Strip ⁽²⁾	86%	99%
\$ 80.00	60%	69%
\$ 90.00	75%	86%
\$100.00	91%	105%



- ★ Strip pricing NPV10 = \$4.7 MM 400 Mboe
- ★ Strip pricing NPV10 = \$5.5 MM 500 Mboe

(1) Includes gathering, pipeline and processing costs
 (2) Strip dated 01/31/12 with 10 year average \$93.26/bbl and \$4.63/mcf

Figure 2 Source - Range Resources February 2012 Presentation