

Balder #1-30 Horizontal Well commences Production Mississippi Lime Play – Northern Oklahoma

- First horizontal well for AOK in participation with major Mississippi Lime producer Range Resources (NYSE:RRC)
- Strong flow rates confirmed by Range Resources – 505 boe/day
- 85% oil and 15% gas composition
- AOK has a working interest of 14.15% in the Balder #1 well
- Negotiations underway on further participation wells at Snake River Project
- Snake River development continues as Blubaugh #20-1 reaches TD

United States focused oil & gas producer and explorer AusTex Oil Limited (ASX:AOK – OTCQX:ATXDY) is pleased to report that it has received confirmation from Range Resources Inc (NYSE: RRC) that the Balder #1-30N horizontal well has commenced production with highly encouraging flow rates recorded in the first six days.

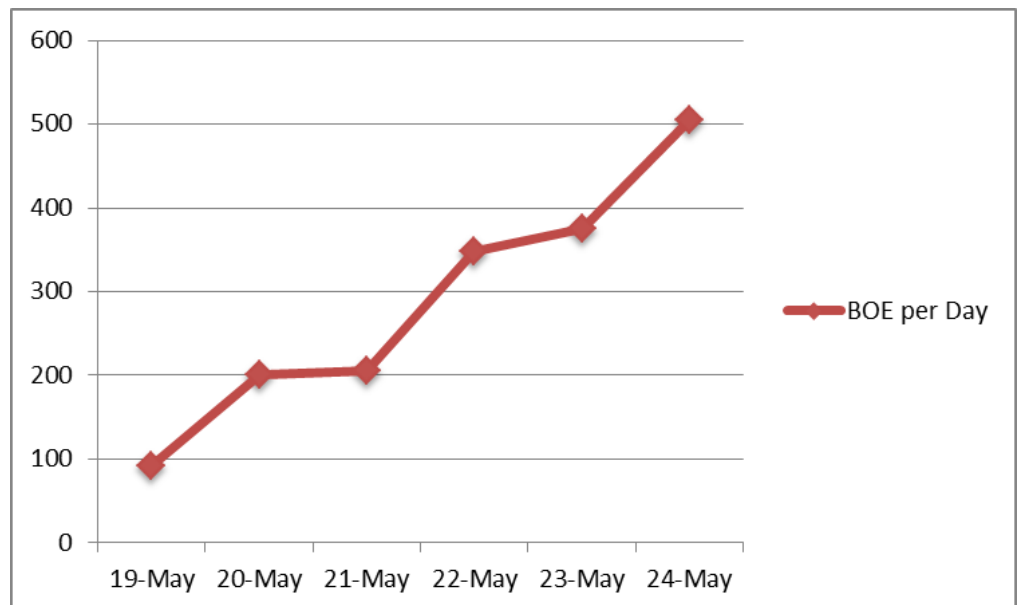


Figure 1: Production profile for Balder #1-30N Horizontal Well

AOK holds a 14.15% working interest and an 11.15% net revenue interest in the well which is located on the western edge of AOK's East Tonkawa Unit, which is part of the Snake River Project in Northern Oklahoma. A 40 acre portion of Range's 320 acre well location is on AOK's project area. This is the first horizontal well in which the company has participated, and these initial production rates highlight the potential value and prospectivity of AOK's Snake River Project in the Mississippian Limestone Play.

AusTex Oil Limited
A.C.N. 118 585 649

ASX: AOK
OTCQX: ATXDY

Level 57, MLC Centre
19-29 Martin Place
Sydney NSW 2000
Telephone +61 2 9238 2363
Fax +61 2 8088 7280

Contact

Daniel Lanskey
Managing Director
dan.lanskey@austexoil.com

Website

www.austexoil.com

Directors

Dr Peter Power (Chairman)
Kwang Hou Hung (Deputy Chairman)
Luis Vierma (Non-executive Director)
Daniel Lanskey (Managing Director)
Richard Adrey (Executive Director)
Kay Philip (Non-executive Director)

Company Secretary

Justin Clyne
Tel. +61 2 9238 2363

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.

AOK's Managing Director, Daniel Lanskey, said: *"The well is still recovering the large frac load from 19 stages and may take another 2-3 weeks to stabilise. These are outstanding early production rates and give us added confidence in the Snake River Project. Not only do they increase our monthly production and revenue flows, they confirm that AOK may be sitting on a project with significant untapped potential for the company and its shareholders."*

We are continuing to assess other participation opportunities in the same area as Balder #1, with a number of horizontal well locations being considered at Snake River. Participation in a horizontal well with Range Resources has increased the appeal and visibility of the Snake River Project, and we intend to capitalise on this further in the near term."

Mr Lanskey also added that drilling of the first vertical production well on one of the Blubaugh Leases, the Blubaugh #20-1 in the Snake River Project, reached TD overnight with logging operations underway. He said an active vertical well development program is well underway on the contiguous Blubaugh leases.

"Very shortly we will have two rigs drilling vertical wells on the Snake River Project, with one rig continuing to develop the Blubaugh leases as a second production hub on the north side of the river which bisects the project area. With conditional funding agreements in place and a growing revenue base, Austex is well placed to fast-track the development of new production wells from this point on. We will continue to update shareholders on our corporate and operational progress in the coming weeks."



Figure 2: Balder #1-30N horizontal well location and associated infrastructure.



Figure 3: Balder #1 Tank Battery

For further information please contact:

**Daniel Lanskey,
Managing Director,
Australia +61 2 9238 2363**

**Richard Adrey
Executive Director
USA +1 918-743-7300**

Released through Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448