



AusTex to spud new Vertical Well in Cooper Project, Kansas

- **Quackenbush #1 vertical well to spud this week**
- **Stacked play - Mississippi Lime primary main target interval**
- **AOK has a working interest of 53% in the Cooper Project**
- **Multiple vertical well development program underway in Kansas**
- **AOK Kansas projects surrounded by Apache Corporation acreage**
- **Well development program at Snake River Project ongoing**

United States focused oil & gas producer and explorer AusTex Oil Limited (**ASX:AOK** – **OTCQX:ATXDY**) is pleased to announce that it is advancing its well exploration program with the commencement of drilling operations at its Cooper Project located in Sheridan County, Kansas.

AOK holds a 53% working interest in the 11,600 acre Cooper Project. This week the company will spud the Quackenbush #1 vertical well following a review of the 3D seismic data. The Toronto, Lansing Kansas City and Mississippi Lime Plays will be targeted in the planned 4,800 foot well.

AOK has permits in place to drill multiple vertical wells in the Cooper Project and plans to undertake an active exploration well program with the goal of establishing the project as another major production hub for the company. In January 2010, the Clark #1 wildcat discovery well was completed in the Lansing Kansas City formation and is producing oil from that interval.

As well as its exploration activities in Kansas, AOK is continuing its aggressive well development program at the 5,500 acre Snake River Project in Oklahoma. Two vertical wells will be drilled each month between now and December 2012 with four vertical wells drilled so far in May / June.

AOK's Executive Chairman Mr Richard Adrey said: "We are pleased to be stepping up our exploration efforts in Kansas, and we believe the Cooper Project represents excellent potential following a review of the seismic data by our geophysical team.

"We have been particularly encouraged by the announcement from NYSE listed Apache Corporation last week that it is has secured significant acreage in Kansas targeting the Mississippi Lime Play. Apache's acreage is adjacent to AOK's projects which gives us further confidence in the region."

"Our well development program in Oklahoma remains on track, and we will continue to drill two vertical production wells each month at the Snake River Project. As we have previously stated, we are also assessing participation opportunities in additional horizontal wells."

AOK will update shareholders on its drilling program in Oklahoma and Kansas in the coming weeks and the status of well completion activities at Snake River.

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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 producing acreage in the highly prospective Mississippi Lime play in Northern Oklahoma and Kansas.

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