



## AusTex Oil announces additional Horizontal Mississippi Lime Wells with Range Resources Corporation

- **Balder #2-31N planned to offset successful #1-30N Well**
- **Hod #1-19N Well to spud in October**

United States focused oil & gas producer AusTex Oil Limited (**ASX:AOK – OTCQX:ATXDY**) is pleased to update shareholders on its continued well development program at the company's 100% owned 5,500 acre Snake River Project in Kay County, Oklahoma.

Following the success of the Balder #1-30N Horizontal Mississippi Lime well during the June quarter, AOK has entered into further agreements to participate in additional horizontal well development with Range Resources Corporation (NYSE:RRC). The Balder #1-30N has demonstrated the potential of the Mississippi Lime interval having achieved a 30 day average IP of 899 boe/day and a peak 24 hour rate of 1,363 boe/day (782 barrels of oil, 340 barrels NGLs and 1,448 mcf gas). AOK holds a 13.76% interest in the Balder #1-30N well.

### **Balder #2-31N Well**

The Balder #2-31N Well is to be drilled as an offset to the successful Balder #1-30N horizontal well on a 160 acre spacing. AOK will hold a 13.76% Working Interest in the new well.

### **Hod #19-1N Well**

AOK has entered into an agreement with Range Resources Corporation (NYSE:RRC) to participate in Horizontal Well development in Section 19, Township 25N Range 1 West. Up to three wells are to be drilled with the Hod #1-19H well expected to spud in October. AOK will hold 8.33% Working Interest in this well.

Additional Horizontal Well development is planned on the Snake River Project and AOK will update further details in coming months.

Speaking from Tulsa, Richard Adrey, Executive Chairman commented, "We are delighted to be participating with additional horizontal well development with Range. With the proposed increased density to 160 acre spacing, this again highlights the potential of our Snake River Project. Additional oil production is coming on line as we test new vertical wells and we are on target with our 2 vertical well per month program. We have just drilled our tenth vertical well and expect to have nine producing before the end of October".

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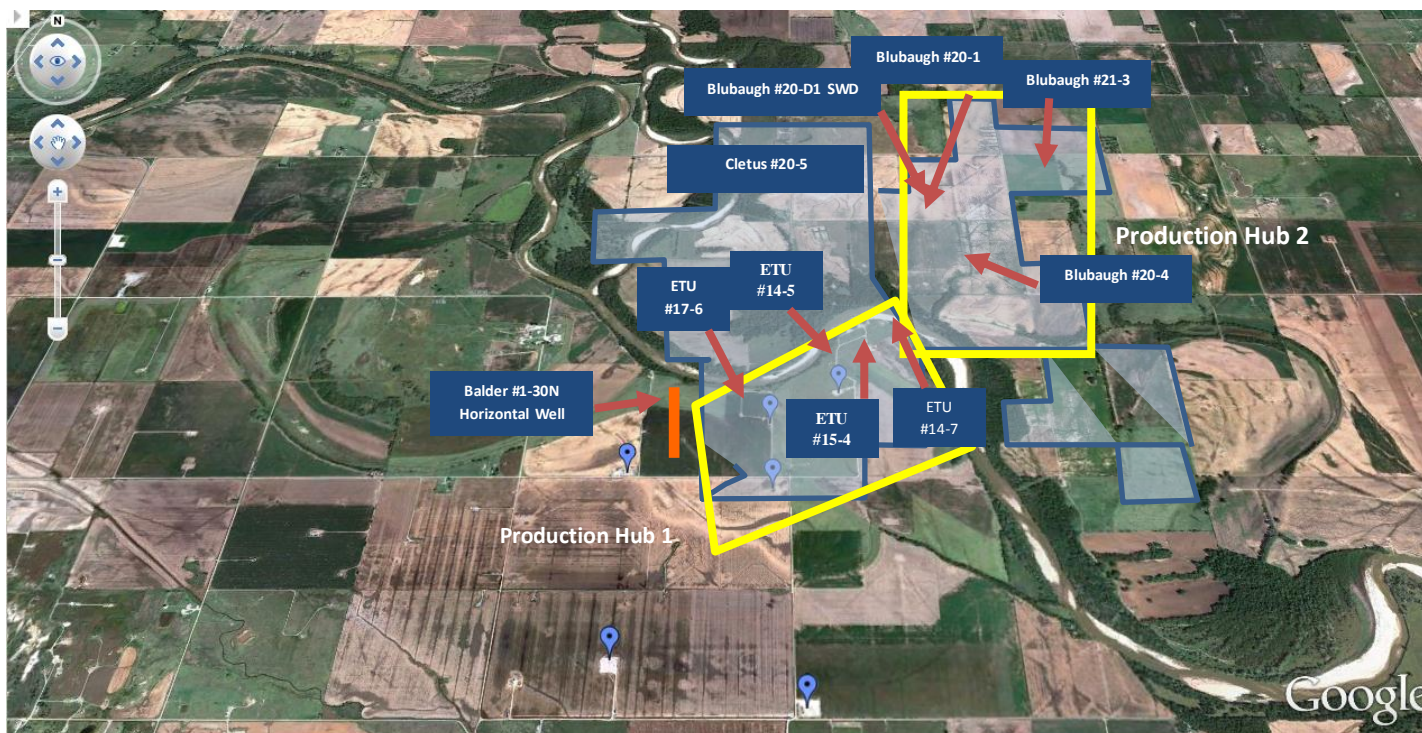
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Kwang Hou Hung (Deputy Chairman)  
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#### **About AusTex**

*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 highly prospective Mississippi Lime play in Northern Oklahoma and Kansas.*



**Figure 1 – Location of production hubs in southwest area of Snake River Project**

#### **Background on Snake River Project**

The 5,500 acre Snake River Project is located in Kay County, Oklahoma, 15 miles south west of Ponca City, the home of a Conoco Phillips oil refinery and east of the Nemaha Ridge.

The project lies within the liquids-rich portion of the emerging Mississippi Lime play which extends from Northern Oklahoma across Kansas, west of the Central Kansas Uplift and into the southern parts of Nebraska. In Kay County, the top of the Mississippian interval is ~4,300 feet below surface and ~320 feet thick, including ~30 feet of a high porosity "chert / chat" section. The Woodford Shale interval is immediately below the Miss Lime and is an excellent source rock with total oil content estimated at 10%. (Source: Devon Energy July Presentation)

Recent horizontal drilling success in the immediate vicinity of the Snake River Project has seen multiple >1,000 BOEPD wells with 70% liquid production. One of these wells, the Balder #1-30, in which AusTex holds a 13.76% working interest, was drilled by Range Production Company, a subsidiary of NYSE listed Range Resources Corporation (NYSE:RRC). AOK is in discussions regarding additional participation opportunities in Horizontal wells that are to be drilled in the area.

Extensive infrastructure is in place with multiple oil and gas gathering systems available allowing ease of delivery of produced oil and gas. Oil produced from the Miss Lime is light sweet crude, which attracts WTI pricing, along with Natural Gas Liquids and high BTU gas.