



AUSTEX ACQUIRES NEW DISPOSAL WELL AND ACREAGE

AusTex Oil Limited

A.C.N. 118 585 649

ASX: AOK

OTCQX: ATXDY

Corporate Snapshot

Market Cap: AU\$18.0m
@ \$0.032
p/share
(undiluted)

Shares on issue
Ordinary: 562.5m
Preference: 220.1m
Options: 38m
Shareholders: 1,930

Directors

Michael Stone
(Non-Executive Chairman)

Richard Adrey
(Co-Managing Director)

Nick Stone
(Co-Managing Director)

Russell Krause
(Non-Executive Director)

Justin Clyne
(Non-Executive Director &
Company Secretary)

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ACQUISITION HIGHLIGHTS

- AusTex closes on next acquisition;
- Approximately 720 acres in Kay County, Oklahoma near AusTex's Snake River Project;
- Acquisition includes infrastructure for saltwater disposal and 3D seismic over 4 square miles to be interpreted;
- Currently producing oil from one well;
- AusTex will be the 100% Owner and Operator; and
- Total acquisition cost of US\$0.5M + leasing and drilling costs.

United States oil and gas producer, AusTex Oil Limited (**ASX: AOK, OTCQX: ATXDY, AusTex or Company**), is pleased to advise that the Company has completed a further acquisition as part of its growth strategy comprising a 100% working interest in ~720 acres in Kay County, Oklahoma adjacent to the Company's key Snake River Project.

The acreage currently produces around 20 bopd of level gross production from one well but also includes a highly valuable saltwater disposal well. AusTex will be the operator of the wells and will be drilling additional vertical wells in the area off interpretation of 3D seismic data which will be carried out in the near future.

The acreage acquired under this transaction appears to have similar geology to the acreage which comprised the Company's original drilling program at Snake River on the East Tonkawa Unit with the Mississippian Chat as the primary target. AusTex's geologist is currently reviewing the 3D seismic and other data acquired as part of the deal with a view to identifying the highest priority drill targets for new vertical wells. AusTex is confident that new wells in the area can be drilled and completed at a cost of circa US\$350k per well all in.

In addition to the acreage, the transaction also includes infrastructure in the form of tanks, pumps and a saltwater disposal well drilled 4 years ago that all appear to have been extremely well-engineered and permitted to dispose up to 15,000 barrels per day, which would accommodate multiple vertical wells.

AusTex's management team believes that this acquisition is likely to create additional opportunities to add to the production of this acreage as well as the potential to lease additional prospective areas.

Executive Commentary

Commenting on this latest acquisition, AusTex's Co-Managing Director, Richard Adrey said:

"This acquisition, along with the acreage acquired in Creek and Lincoln Counties in Oklahoma in November, also brings to AusTex a number of benefits including new and prospective acreage, a small amount of production and valuable infrastructure."

"We look forward to reporting drilling of new wells and future production improvements along with additional lease acquisitions in the near future."

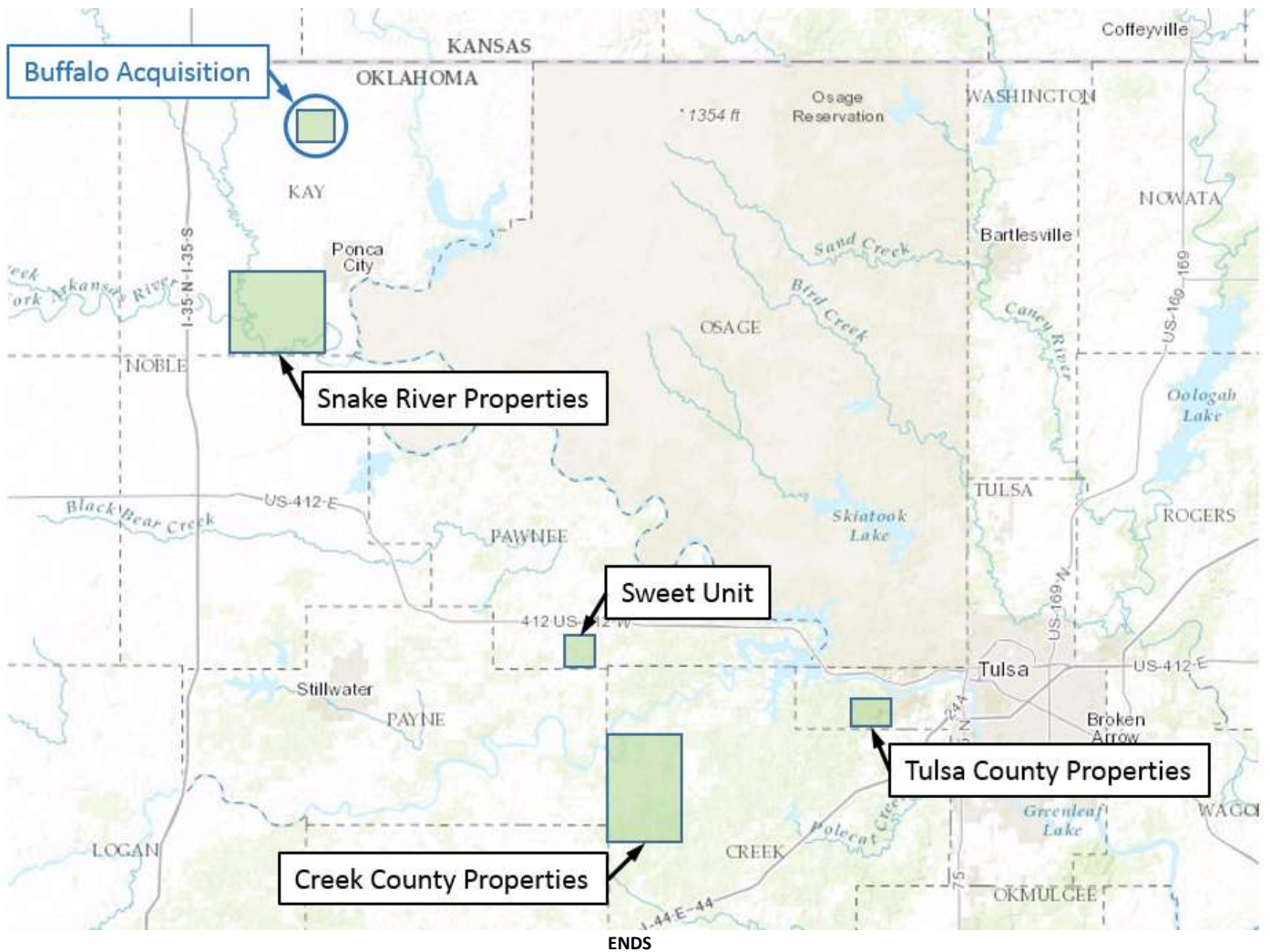


Figure 1: Map showing the newly acquired Buffalo well in relation to the Snake River Project and AusTex's other acreage areas.

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About AusTex

AusTex Oil Ltd 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 oil and gas leases, including acreage in the highly prospective Mississippi Lime Play in Northern Oklahoma and Kansas as well as in the Drumright Dome in the Lincoln and Creek Counties of Oklahoma. The Company's flagship is the 100%-owned Snake River Project in the Mississippi Lime Play.