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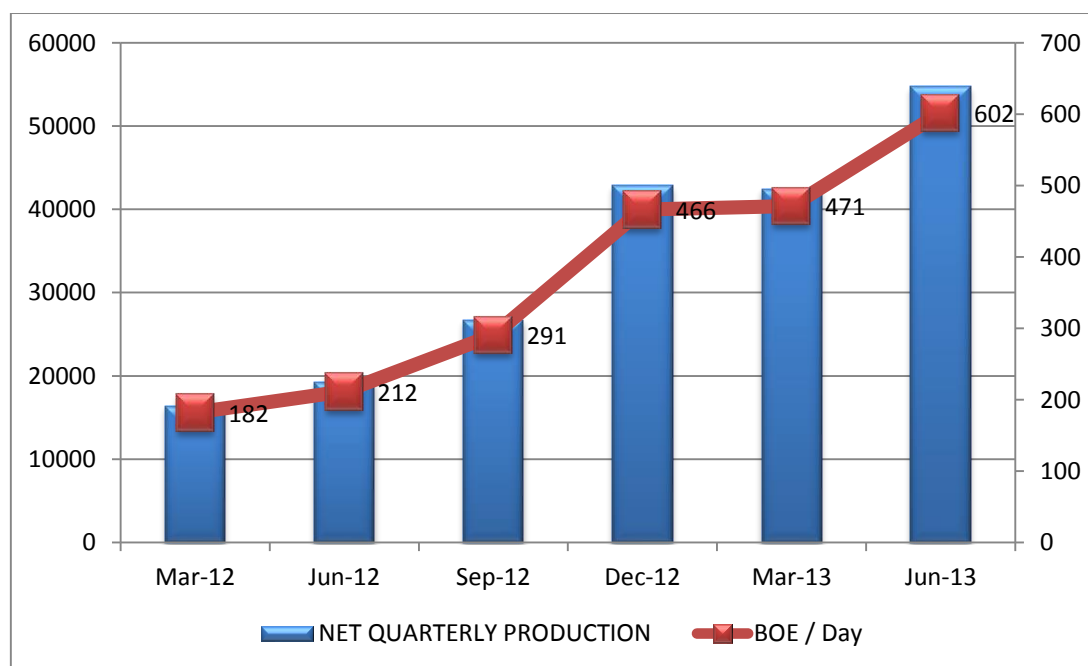
Quarterly Activities and Cash Flow Report - June 2013

18 July 2013

Highlights

- **AOK delivers Record Quarter from US Oil and Gas Operations**
 - **Gross Sales Revenue of \$US3.4 million**
 - Increase of 21% on previous Quarter
 - Increase of 223% for June 2012 Quarter
 - **Net production increases to 54,900 BOE**
 - Increase of 29% on previous Quarter (42,411 BOE)
 - Increase of 185% on June 2012 Quarter (19,265 BOE)
- **Development drilling at Snake River driving Production and Reserve Growth**
- **Average oil and gas production 602 BOE/Day for the Quarter**
- **Trading commences on TSXV during May - Ticker ATO**

Graph showing Net Quarterly Production



Background

AusTex Oil Limited (AusTex or the Company) (**ASX:AOK - OTCQX:ATXDY**) is an **oil and gas exploration and production** company with operations in Kansas and Oklahoma, in the mid-continent of the **United States of America**.

The Company operates leases in Oklahoma through its wholly owned subsidiaries, International Energy Corporation (Oklahoma) (IEC-OK) (as Operator) and International Energy Corporation (Northern Oklahoma), with offices located at 1801 East 71st Street, Tulsa. In Kansas, AusTex is the major working interest partner through its wholly owned subsidiary, International Energy Corporation (Kansas) (IEC-Kansas) with Castle Resources Inc., as operator. **AusTex holds interests in 23,000 net acres in the Mississippi Lime play with oil production in both Kansas and Oklahoma with average production of 602 barrels of oil equivalent per day for the quarter ended 30 Jun 2013.**

1. Operations

1.1. Oklahoma

The primary focus of the Company is oil and gas production growth at the 100% owned Snake River Project in Kay County with ongoing development drilling targeting the liquid rich Mississippi Lime formation.

1.1.1. Snake River Project – 5,500 acres

Northern Oklahoma

AOK 100% Working Interest (WI) ~81.25% Net Revenue Interest (NRI)

The Snake River Project is located in Kay County, Northern Oklahoma, and east of the Nemaha Ridge. The centre of the project lies approximately 15 miles south west of Ponca City, where Conoco Philips operates an oil refinery. Mustang Gas Corporation operates an extensive gas gathering facility in the project area with gas sales lines within 1 mile of each production hub operated by AusTex. A compression and liquids stripping plant is within 1 mile of the south west boundary of the Snake River Project.

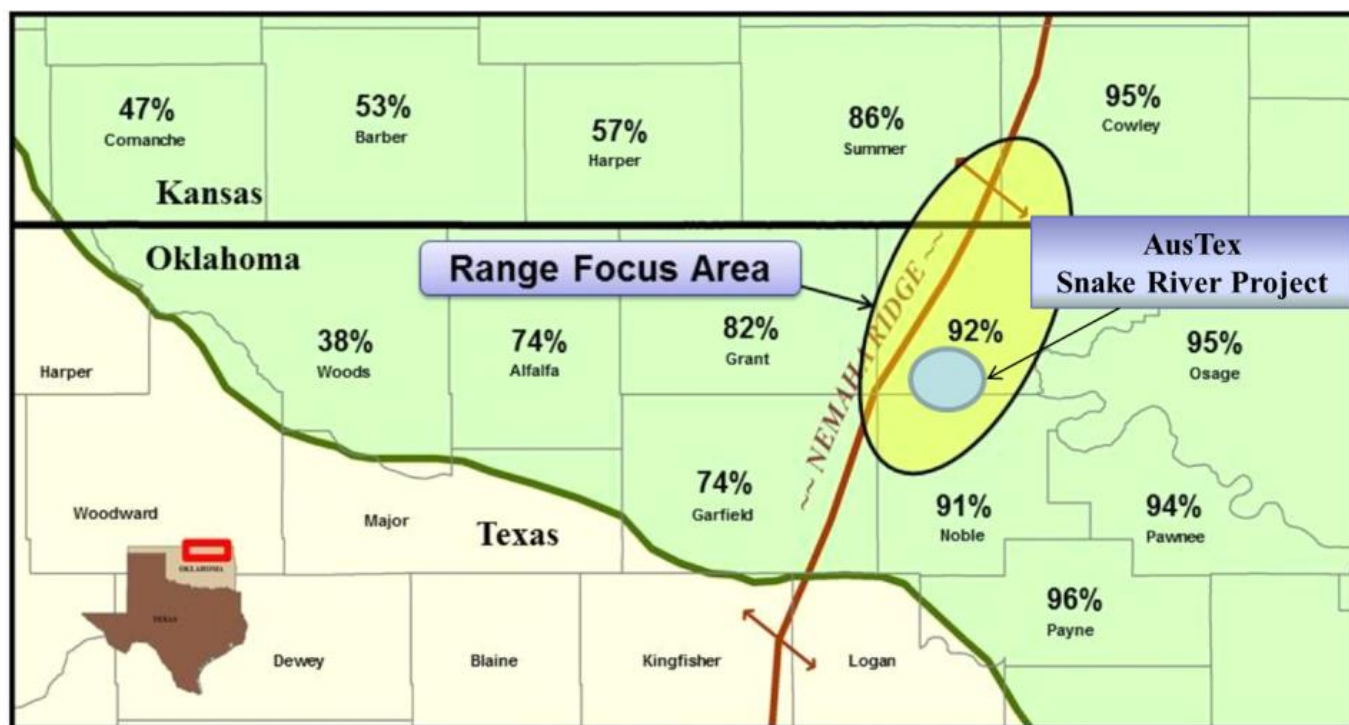


Figure 1 Location of AusTex acreage in Northern Oklahoma near Range Resources Corp (NYSE:RRC)
(Graphic Sourced from Range Resources December 2013)

Vertical Well Development Continues

AusTex, as operator, drilled 5 new vertical development wells at the Snake River Project during the quarter. Since acquiring the initial acreage in December Quarter 2011, the Company has deepened four existing wells and drilled 20 new vertical wells. As at the end of the June Quarter, 16 wells are in production with 7 wells under completion or production testing and 1 new Salt Water Disposal well in operation.

Vertical Wells drilled during the Quarter:-

Well Name	Drill Date	TD	Status	Formation
Blubaugh #21-4	April	4,652 feet	Frac 25 April Production Testing	Mississippian
Schwanke #24-1	April	4,378 feet	Frac 8 May	Mississippian
Roger #20-6	May	4,700 feet	Frac 22 May	Mississippian
Fath #28-1	May	4,689 feet	Frac 4 June	Mississippian
Theda #25-1	May	4,358 feet	Frac 11 July	Mississippian

The Company plans to drill a further 6 vertical wells during the September Quarter 2013 and production is expected to increase as additional wells are brought on to production.

Well Economics

Development costs on the project are as follows:-

Type of Well	Cost of Completion	EUR	IRR
Horizontal*	\$3.4m	600,000	~96%
Vertical	\$650k	85,000	~90%

*Source Range Resource November 2012 – Assumes \$80 WTI oil and \$4.35 mcf

At 20 acre spacing on Vertical Well development AOK currently has a drilling inventory of over 200 locations within the existing acreage.

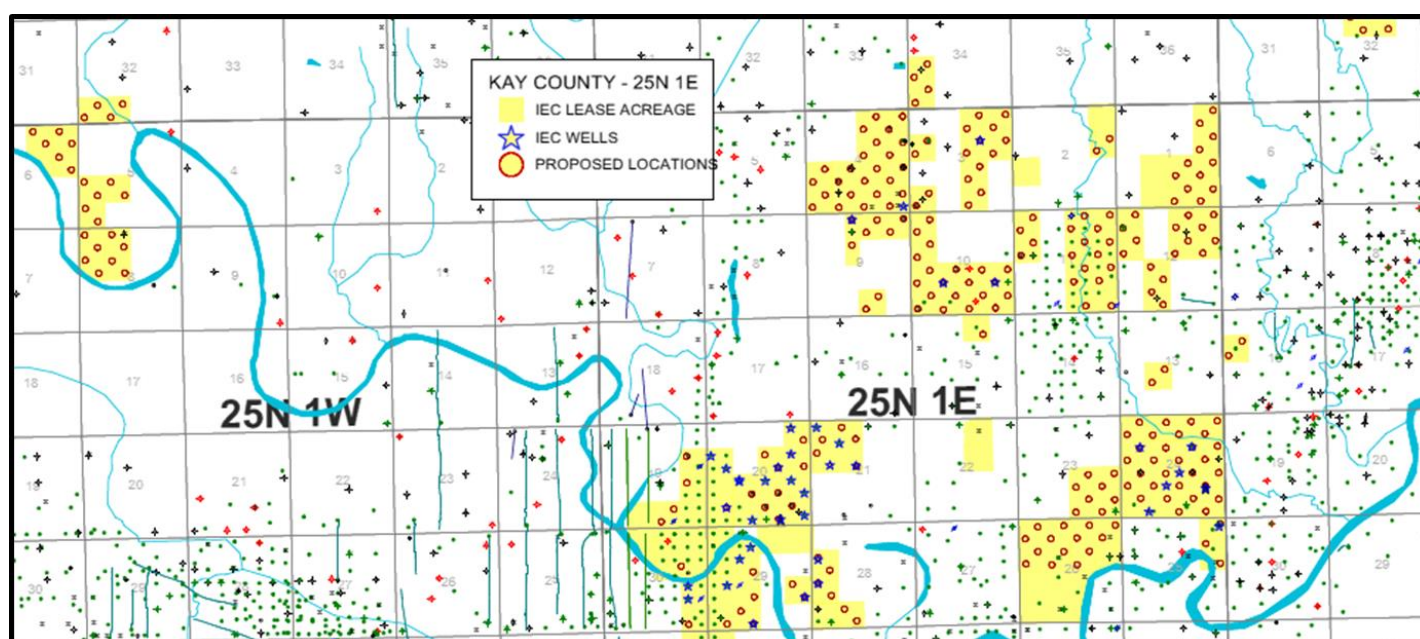


Figure 2 Map Showing AusTex Snake River Project - Oklahoma

1.2. Kansas

AusTex holds non-operating interests in oil and gas leases located in the State of Kansas through a wholly owned subsidiary, International Energy Corporation (Kansas) (IEC-Kansas). Castle Resources Inc., a private company is the operator of record.

Oil production at the Cooper and Ellsworth Projects continued during the quarter with 5 wells in production contributing 28 barrels of oil per day net production to AusTex.

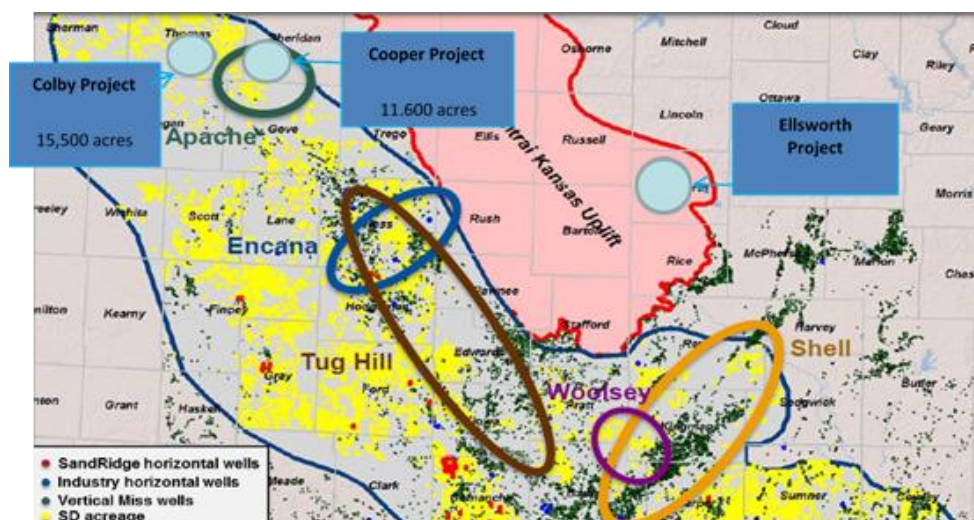


Figure 3: Location of AusTex Oil and Gas Projects in Kansas highlighting other Companies active in the State

Source Graphic from SandRidge Energy November 2012

1.2.1. Colby Project – 15,500 acres

Thomas County – Kansas

AOK 70% WI 58.8% NRI

Exploration at the Colby Project continued during the June Quarter with 2 vertical wells being drilled. Both wells intersected the target Lansing Kansas City and Mississippian formations. Drill Stem Tests failed to show commercial hydrocarbons and both wells have been plugged and abandoned.

A further review of the seismic data acquired during 2012 is underway using information obtained from samples and logs from both exploratory wells. A decision on the future activity on this project will be made during the second half of 2013.

1.2.2. Ellsworth Project – 3,200 acres

Ellsworth and Rice Counties – Kansas

AOK 50% WI 38% NRI

Drilling on the Sieker #1 well successfully reached a TD of 3,380 feet in June 2013. The well intersected commercial quantities of oil in the Arbuckle formation and the well is under completion for oil production. AOK has successfully participated in four other wells on the project which are currently producing approximately 5 bopd net.

Kansas Wells drilled during the Quarter:-

Lease Group	Well Name	Drill Date	TD	Status	Formation
Colby	Eller Chase Unit #1	April	5,100 feet	P & A	Lansing Kansas City Mississippian
	Schwanke #24-1	April	4,378 feet	P & A	Lansing Kansas City Mississippian
Ellsworth	Sieker #1	June	3,380 feet	Under Completion	Arbuckle

2. Production and Revenue

Gross Revenue from operations for the quarter was reached a record \$ 3,489,513 (US\$ 3,462,644) an increase of 21% over March Quarter, with net to AusTex of \$ 2,618,411 (\$US 2,598,249).

During the three months ending 30 June 2013, cash expended for development was \$ 3,140,000 with an additional \$180,000 on exploration.

Cash and short term investments on hand at end of quarter were \$ 6,112,762.

Net oil and gas production for the quarter was 54,907 barrels of oil equivalent.

Table of Monthly Production:-

Month	Total Monthly Production BOE	Average Daily Production BOE/day
April	18,897	630
May	17,360	560
June	18,650	622
Total	54,907	602

3. Corporate Activity

TSXV Listing Completed

During the quarter, an application to list the fully paid ordinary shares of the Company on the TSXV was successfully completed. AusTex now trades under the code ATO on the Venture Exchange as a Tier 1 Oil and Gas Company. The shares commenced trading on 22 May 2013.

Annual General Meeting

The Annual General Meeting of the Company took place on 30 May 2012 at the Sofitel Hotel in Sydney. All resolutions were passed.

Credit Facility

AusTex is continuing discussions with a number of US based lenders to obtain a Credit Facility to expedite development drilling at the Company's Snake River Project. Management are working towards finalising these negotiations during the September Quarter. Development drilling is scheduled to increase to 9 wells per quarter once the funding is in place.

4. Reserve Report

An updated Independent Reserve Report was released to the market on 19 March 2013. The Report was prepared by Integrated Petroleum Technologies Inc., of Denver, Colorado, to comply with the Canadian Oil and Gas Handbook and Canadian Instrument 51-101 guidelines.

The table below highlights a summary of **Net Oil and Gas Reserves** as at 1 March 2013:-

	Oil Reserves Net (Mbbbl)	Gas Reserves Net (MMscf)	BOE 6:1	Undiscounted PV Future Net Revenues (\$,000)	PV 10% Future Net Revenues (\$,000)	Change in BOE ¹	Change in PV 10% ¹
1P	5,565	12,125	7,585	342,400	197,695	↑ 97%	↑ 104%
2P	8,878	18,833	12,016	545,367	284,105	↑ 102%	↑ 79%
3P	14,481	29,681	19,427	889,083	394,738	↑ 45%	↑ 2%


Competent Person's Statement

Reserves have been certified by Richard A. Burns PE, a Reservoir Engineer employed by Integrated Petroleum Technologies Inc., Denver, Colorado, and is a qualified person as defined under the ASX Listing Rule 5.11. Mr Burns holds a Bachelor of Science in Petroleum Engineering and has over forty years' experience in engineering studies, evaluation of oil and gas properties, drilling, completion, production and process engineering of oil and gas operation and evaluation of properties in Canada and U.S.A and is a qualified evaluator and auditor as defined in National Instrument 51-101. Reserves have been developed within the guidelines of the Canadian Oil and Gas Evaluation handbook and in accordance with Canadian National Instrument 51-101. Mr Burns has consented to the use of the reserve figures in this report. Mr. Burns is a published member of the Society of Professional Engineers.

5. Lease Operating Schedule – 30 June 2013

Lease Name	Acreage	WI	NRI	Status	County, State
Snake River	~5,500	100%	81.25%	Development Producing	Kay County, OK
Tulsa and surrounds	~1,600	100%	81.25%	Producing	Tulsa, OK
Cooper	11,600	53%	38%	Development Producing	Sheridan, KS
Beltz	160	40%	33.8%	Producing	Ellis, KS
Ellsworth	3,200	50%	38%	Development Producing	Ellsworth, KS
Colby	15,500	70%	58.8%	Exploration	Thomas, KS

For and on behalf of AusTex Oil Limited



Daniel Lanskey
Managing Director
18 July 2013

Appendix 5B

Mining Exploration entity quarterly report

Name of entity

AUSTEX OIL LTD

ABN

42 118 585 649

Quarter ended ("current quarter")

30-June-2013

Consolidated statement of cash flows

Cash flows related to operating activities

	Jun quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	2,584	4,585
1.2 Payments for		
(a) exploration and evaluation	(108)	(259)
(b) development	(3,140)	(5,950)
(c) production	(455)	(853)
(d) administration	(843)	(1,607)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	19
1.5 Interest and other costs of finance paid	(189)	(391)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
- Project Management Costs	(403)	(569)
Net Operating Cash Flows	(2,547)	(5,025)

Cash flows related to investing activities

1.8 Payment for purchase of:		
(a) prospects	-	(193)
(b) equity investments	-	-
(c) other non current assets	(666)	(1,487)
1.9 Proceeds from sale of:	-	-
(a) prospects	-	-
(b) equity investments	-	-
(c) other non current assets	3	3
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Security Deposits	(4)	(15)
Net investing cash flows	(667)	(1,692)
1.13 Total operating and investing cash flows (carried forward)	(3,214)	(6,717)

Appendix 5B

Mining Exploration entity quarterly report

	Jun quarter \$A'000	Year to date (6 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(3,214)	(6,717)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	128	128
1.17 Repayment of borrowings	(19)	(32)
1.18 Dividends paid	-	-
1.19 Other - Share issue costs	-	-
Net financing cash flows	109	96
Net increase (decrease) in cash held	(3,105)	(6,621)
1.20 Cash at beginning of quarter/year	8,385	11,924
1.21 Exchange rate adjustments to item 1.20	833	810
1.22 Cash at end of quarter/year	6,113	6,113

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	198
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cashflows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Appendix 5B

Mining Exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

3.1 Loan facilities - Convertible Notes

3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
7,500	7,500
Nil	Nil

Estimated cash outflows for next quarter

4.1 Exploration and evaluation

4.2 Development

4.3 Production

4.4 Administration

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	2,500
4.3 Production	400
4.4 Administration	650
Total	3,700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

5.1 Cash on hand and at bank

5.2 Deposits at call

5.3 Bank overdraft

5.4 Other - Bills and Bank Term Deposits

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	621	658
5.2 Deposits at call	276	806
5.3 Bank overdraft	-	-
5.4 Other - Bills and Bank Term Deposits	5,216	6,921
Total: cash at end of quarter (item 1.22)	6,113	8,385

Changes in interests in mining tenements

6.1 Interests in mining
tenements relinquished
reduced or lapsed

6.2 Interests in mining
tenements acquired

Tenement reference	Nature of interest ((note (2))	Interest at beginning of quarter	Interest at end of quarter

Appendix 5B

Mining Exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy backs, redemptions				
7.3 Ordinary securities	432,951,041	432,951,041	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues				
(b) Release from escrow				
(c) Decreases through returns of capital, buy backs				
7.5 Convertible debt securities Convertible Notes (US \$7.5 Million)	9	-	US \$833,333	US \$833,333
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			Exercise Price	Expiry Date
	2,382,000	-	15 cents	11.01.2014
	10,166,167	-	15 cents	05.03.2014
	20,490,197	-	15 cents	07.06.2014
	27,272,726	-	15 cents	29.07.2014
	12,500,000	-	15 cents	31.08.2014
	25,257,627	-	20 cents	13.06.2015
	10,000,000	-	15 cents	22.08.2014
	182,000	-	15 cents	15.08.2014
	10,000,000	-	20 cents	03.12.2015
	20,000,000	-	15 cents	24.10.2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	3,000,000	-	40 cents	30.06.2013
7.12 Unsecured notes (totals only)				

Appendix 5B

Mining Exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date:
Director

Print name: Dan Lanskey

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** - The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** - ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.