

ASX/Media Release
27 January 2010

Cooper Project – Kansas
Clark #1 Well – Sheridan County
Production commences at 250 barrels of oil per day

AusTex Oil Limited (**ASX:AOK**), reported today that oil production from its discovery well, the Clark #1 has commenced.

AOK's Kansas operator, Castle Resources Inc., reports that following the testing of the Lansing-Kansas City Formation at the rate of 230 barrels of oil per day (bopd) and 70 barrels of water per day, a retrievable bridge plug was set above the formation until such time as our permit for a disposal well is approved. A second pay zone in the Toronto Formation was perforated at 3,826 feet and tested with even better results than the Lansing-Kansas City Formation.

Construction of a tank battery and flow lines have been completed. The well is now on pump and producing 250 bopd with no discernable water from the Toronto Formation. The Walker #2, an old well to the south, has a permit pending for water disposal and drilling permits have been issued for the next three production wells in the development of this field on its large acreage position in the area. Once disposal capacity is completed, AOK plans to produce from the Clark #1 Well and possibly future wells from both formations simultaneously.

Managing Director of AOK, Mr Daniel Lanskey, commented, "This is a very exciting result and a great start to the New Year. The USA is experiencing the worst winter in many years, and it is a real credit to our operator and his team to have completed the well in just over a month since it was spudded. This well was drilled as a result of re-calibration of the seismic data acquired last year. Our consulting geophysicist mapped a structure with a four-way closure at this location covering over 600 acres. AusTex's net production has now passed 200 bopd and 400 thousand cubic feet of gas per day. Production from the Baggett #1 and #2 wells in Oklahoma will add to this figure."

AOK holds a 53% working interest and a 43% net revenue interest in this 26,500 acre project.

About AusTex

AusTex Oil Ltd (ASX: AOK) which was listed on the ASX in January 2008 is focused on reworking and development of oil and gas leases in the USA. The company produces oil and gas from leases in Oklahoma and Kansas. Since listing, AusTex has increased its lease interests from 1,000 acres to 69,000 acres.

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