



UPDATE ON COMPANY ACTIVITIES – SALE OF SNAKE RIVER ASSETS

Austex Oil Limited (ASX: AOK) (“**Austex**” or the “**Company**”) announces that its USA subsidiaries, International Energy Corporation and International Energy, LLC, (“the US Subsidiaries”) have sold the oil and gas assets in Kay County Oklahoma, USA (“**Snake River**”) to an independent USA based buyer SNR Oklahoma Operating, LLC. for a consideration of approximately US \$14 million.

The Company is the subject of ongoing claims initiated by holders of redeemable preference shares which also involve the US Subsidiaries as guarantors. Faced with these claims it was ultimately determined, after taking appropriate advice, that the US Subsidiaries needed to monetise the assets comprising Snake River. The sale followed a comprehensive sale process undertaken by external advisors to the US Subsidiaries. This process included negotiations with several bidders and the Company is satisfied that all steps were taken to protect the interests of shareholders, creditors and other stakeholders.

The Company’s Chairman, Mr Russell Krause commented that “We are obviously disappointed that there was a need to sell Snake River, which outcome arose from the redeemable preference share put notices. The claims made directly against the US Subsidiaries triggered US legal obligations on the US Subsidiaries and the directors of those entities to move expeditiously to a sale of assets. These requirements in effect precluded the Company from calling a shareholder meeting to consider the proposed sale. The Company will seek a meeting with ASX to clarify its requirements in the relevant circumstances.”

He continued “With this sale concluded, we will urgently pursue negotiations with the redeemable preference shareholders with a view to resolving those liabilities and allowing the Company to move forward after a long period of hiatus.”

For further information please contact Andrew Bursill, Company Secretary on +61 9299 9690.

Andrew Bursill
Company Secretary