

ASX Announcement

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Fifth Eagle Ford Well – 1,072 bopd (1,262 boepd)

Texon advises that its fifth Eagle Ford well (Peeler EFS #1H) has tested at the rates of 1,072 bopd and 1.137 mmcf/gpd (1,262 boepd) on an 18/64" choke at a flowing pressure of 2,794 psi.

It is expected that the well will be connected to oil and gas production tanks and pipelines next week.

Texon has an 89.24% WI (66.88% NRI) in the well.

Clifford S. Foss President of Texon Petroleum said "This is a very good result for a 15 stage frac in this lease obligation well."

-ends

Current oil and gas futures prices:

Source: NYMEX Sept 2012
Oil: US\$91.83/bbl
Gas: US\$3.08/mmbtu (this translates to approx. US\$5.10/mcf for all Texon gas – including US\$5.90/mcf for Olmos and Eagle Ford gas)

Glossary:

bb: barrel
boepd: barrels of oil equivalent per day (including gas converted to oil equiv barrels on basis of 6mcf to 1 barrel of oil equiv)
bopd: barrels of oil per day
mcf: thousand cubic feet
mmbtu: million British thermal units
mcf/gpd: thousand cubic feet of gas per day
psi: pounds per square inch
NRI: Net Revenue Interest
WI: Working Interest