

ASX Announcement
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Eagle Ford Oil Project

Texon advises that it has appointed Albrecht & Associates, Inc. and RBS Morgans Limited to seek potential buyers for all or part of the Company's 7,200 acre Eagle Ford oil project.

Texon has drilled four (4) Eagle Ford production wells which had an average initial production rate of over 1,400 boepd. Fracture stimulation design of the third and fourth wells (Tyler Ranch #2(H) and Hoskins #1(H)) benefited from the experience gained on the first two wells and is expected to be a guide to Eagle Ford well productivity in this area. On the basis of the productivity of Tyler Ranch #2(H) and Hoskins #1(H), new wells are forecast to produce over 600,000 barrels of oil equivalent, 90% of which is oil and gas liquids.

Texon has an average 93% Working Interest in its Eagle Ford leases. There are 96 Eagle Ford well locations on these leases (including the 4 wells already drilled) representing a resource potential to the Company's Working Interest of over 55 million barrels of oil equivalent.

The Company believes that its four (4) Eagle Ford wells have largely de-risked its Eagle Ford leases and that a sale will provide the opportunity for shareholders to benefit from the value of these holdings.

A map showing the location of Texon's Eagle Ford leases is attached.

Clifford S. Foss, President of Texon Petroleum said "It is expected that Texon's operatorship and 93% Working Interest position in its high performance Eagle Ford holdings will attract considerable interest from companies already established in the Eagle Ford play and who are wanting to expand their position in Texon's highly oil productive part of the Eagle Ford trend".

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Oil and gas futures prices:

Source: NYMEX April 2012

Oil: US\$105.95/bbl

Gas: US\$2.66/mmbtu (this translates to approx. US\$4.40/mcf for all Texon gas – including US\$5.10/mcf for Olmos and Eagle Ford gas)

Glossary:

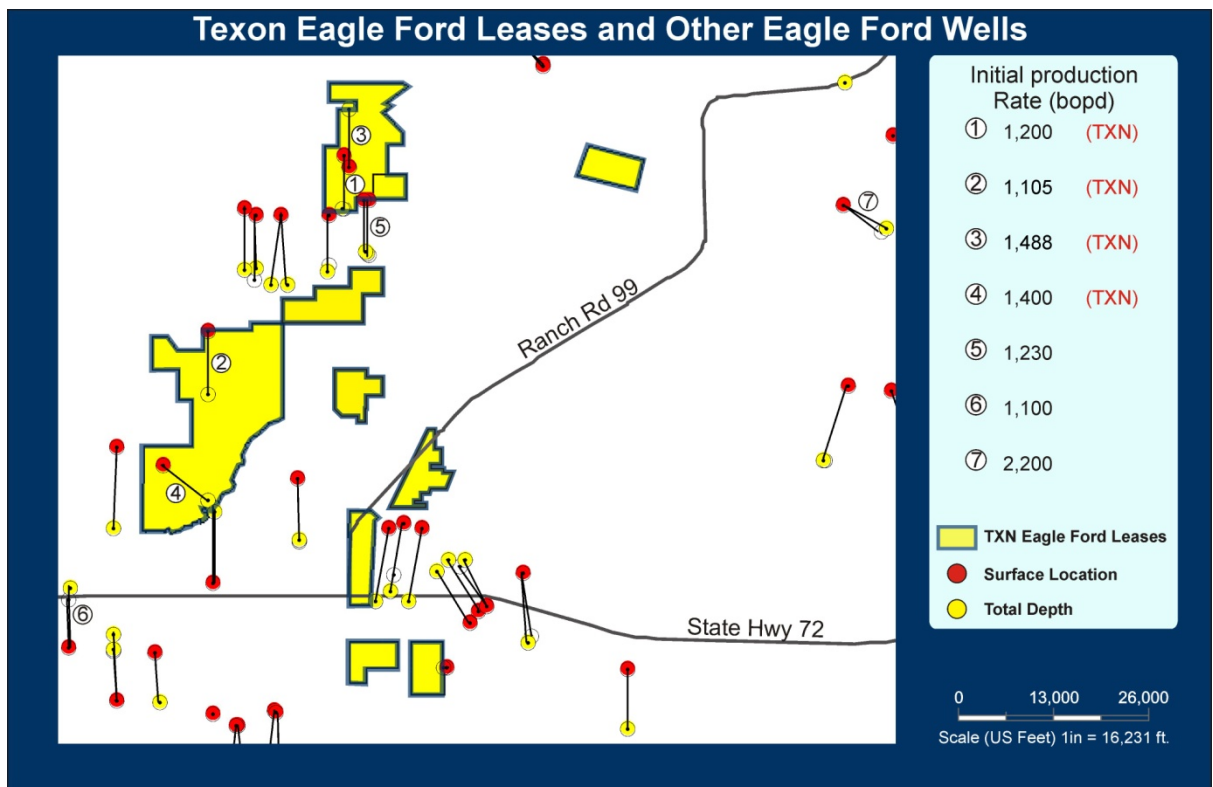
bbl: barrel

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



Attachment to Texon Release dated 23 February 2012