



ABN 24 119 737 772

ASX Release
15 June 2011

THIRD AND FOURTH EAGLE FORD WELLS

Texon's third horizontal Eagle Ford (TR EFS #2H) commenced drilling on the 12th of June. The well is located on the Company's Leighton lease just to the north of Texon's first Eagle Ford well which tested at an initial rate of 1,200 bopd – refer to the attached map. The well will have a 4,500 feet horizontal section similar to Texon's first two Eagle Ford wells and it is expected that drilling and casing operations will take 35 days.

Texon has an 82% Working Interest (61.6% Nett Revenue Interest in the well ("NRI")).

Texon's fourth horizontal Eagle Ford well will be drilled by the same rig immediately following the third well. The location of the fourth well is also shown on the attached map.

Texon will have a 95% Working Interest (71.25% NRI) in the fourth well.

Fracture stimulation and testing of the third and fourth Eagle Ford wells are scheduled for August.

Texon has 5,900 nett acres of Eagle Ford leases which could represent some 70 horizontal Eagle Ford well locations, potentially 31 million boe as to the Company's Working Interests. When the third and fourth Eagle Ford wells have been successfully tested, it is expected that some 40 of these locations will be able to be identified as low risk Eagle Ford wells.

Industry drilling activity continues around Texon's Eagle Ford leases. A recently completed well drilled by Swift Energy adjacent to Leighton had an initial production rate of 1,254 bopd. To the east, ConocoPhillip's well flowed at 2,200 bopd. To the southwest, Comstock recently completed a well with an initial flow rate of 1,045 bopd. There are now six wells (including Texon's) which have flowed at an initial rate in excess of 1,000 bopd in the vicinity of Texon's Eagle Ford leases supporting the company's view that its Eagle Ford leases are located in one of the sweet spots of the Eagle Ford trend.

Please refer to Texon's website for announcements by the Company: www.texonpetroleum.com.au

Oil and gas futures prices (Source: NYMEX July 2011 contracts)

Oil: US\$ 98.06/bbl

Gas: US\$4.60/mmbtu (approx. US\$7/mcf for all Texon gas – including US\$7.9/mcf for Olmos and Eagle Ford gas)

-Ends-

For further information, please contact:

Dr John Armstrong
Chairman
Brisbane: 07 3211 1122

Mr David Mason
Chief Executive Officer
Brisbane: 07 3211 1122
Houston: +1 281 419 4976
(Houston is 15 hours behind AEST)

Glossary:

bbl: barrel
boe: barrels of oil equivalent
bopd: barrels of oil per day
mcf: thousand cubic feet
mmbtu: million British thermal units

