

ASX Release
23 March 2011

**SECOND EAGLE FORD WELL -
TESTING PROGRAMME BEGINS**

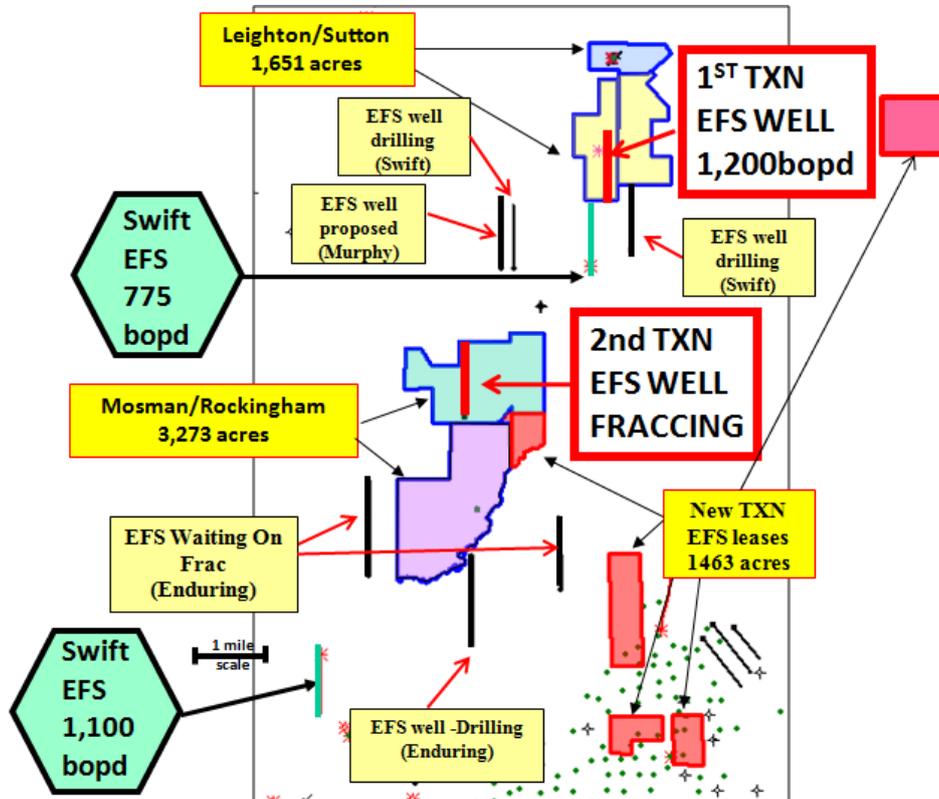
Fracture stimulation and testing of Texon's second Eagle Ford horizontal well (Teal EFS #1H) commenced on Tuesday 22 March 2011 (Houston time).

The overall programme of fracture stimulation of the well and recovery of the frac fluid is expected to take about two weeks and at the end of which the well will be production tested.

The Company is well positioned to benefit from a successful test now having 6,387 acres (5,914 nett acres) in the Eagle Ford shale trend in the vicinity of this well and the Company's first Eagle Ford well which has now been producing for 3 months.

The Company's new 5,900 nett acre Eagle Ford acreage holding represents a 30% increase from the previous holding of 4,500 nett Eagle Ford acres. The approximate sizes and locations of the new leases are shown on the map.

As indicated by the map below activity continues to increase in the areas surrounding the Texon leases as other operators see the attractiveness of this liquids rich part of the Eagle Ford Shale.



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

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

Oil: US\$102.35/bbl

Gas: US\$4.16/mmbtu (approx. US\$6.20/mcf for all Texon gas - including US\$7.10/mcf for Olmos and Eagle Ford gas which currently make up 65% of Texon's gas production)

-Ends-

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Glossary:

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