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Mosman-Rockingham Olmos Well

Texon's Wheeler #1 well has reached its total depth of 9,200 feet and electric logs indicate 23' of net pay.

Reservoir properties in the well (porosity and oil saturation) are comparable with the Leighton Olmos wells which tested at an average of 181 bopd + 330 mcfpd or 236 boepd.

Texon has a 95% Working Interest (71.25% NRI) in the well.

The well will now be cased and made ready for fracture stimulation while the appropriate production facilities are prepared for production testing which is expected to occur within the next two-three weeks.

Mr Clifford S. Foss, President of Texon Petroleum said "a successful production outcome will set up a number of nearby Olmos well locations with a combined overall potential to the Company's WI of 3mmboe."

-ends

Current oil and gas futures prices:

Source: NYMEX June 2012
Oil: US\$92.95/bbl
Gas: US\$2.64/mmbtu (this translates to approx. US\$4.40/mcf for all Texon gas – including US\$5.00/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
mcfpd:	thousand cubic feet per day
mmboe:	million barrels of oil equivalent (including gas converted to oil equiv barrels on basis of 6mcf to 1 barrel of oil equiv)
mmbtu:	million British thermal units
NRI:	Net Revenue Interest
WI:	Working Interest