

ASX Announcement
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Reserves Up 11%

At 1 August 2012, reserves attributable to Texon's NRI are as in the following table:

	mboe			
	Proved	Probable	Possible	Total
Eagle Ford	1.69	3.48	6.08	11.25
Other (incl Olmos)	0.38	0.34	0.61	1.33
Totals:	2.07	3.82	6.69	12.58

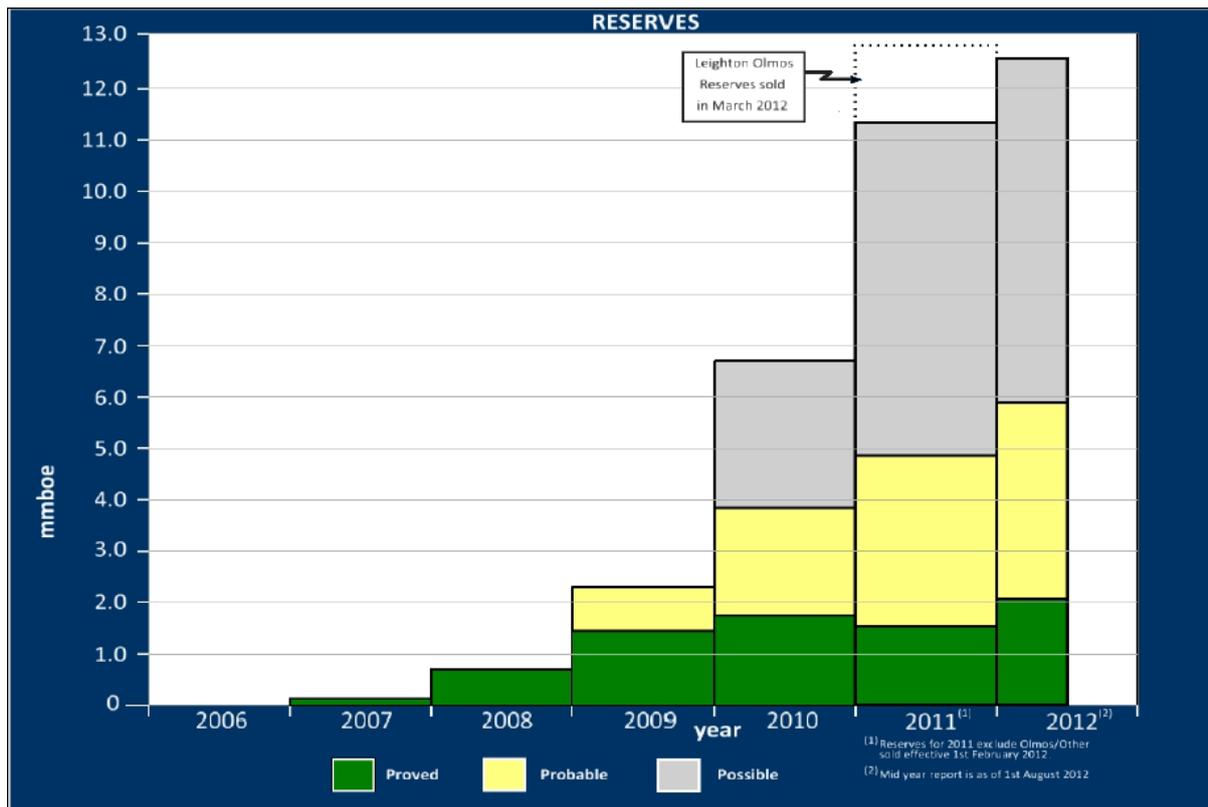
The total of 12.58 mboe is an 11% increase on the 11.33 mboe at year end 2011 (after adjusting the year end 2011 reserves of 12.88 mboe for the sale in March 2012 of the Leighton Olmos and Yegua reserves of 1.55 mboe).

As set out in our EGM presentation of 31 August 2012, several Eagle Ford wells are planned over the next six months which are expected to lead to increased reserves and the transition of existing reserves into the Proved and Probable categories.

The mid year reserves include 44 Proved, Probable and Possible Eagle Ford locations on its leases where the Company has drilled Eagle Ford wells. The Company has a total of over 90 net potential Eagle Ford well locations across its lease holdings.

The mid year reserves also include 15 Proved, Probable and Possible locations in the Mosman/Rockingham Olmos project.

The mid year 2012 reserves have been assessed by Netherland, Sewell & Associates, Inc.



Netherland, Sewell & Associates, Inc. and Delilah B Hainey are qualified in accordance with ASX Listing Rule 5.11. Netherland, Sewell & Associates, Inc. has consented to the form and context of the reserves shown in this report.

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Current oil and gas futures prices:

Source: NYMEX October 2012

Oil: US\$95.85/bbl

Gas: US\$2.80mmbtu (this translates to approx. US\$4.60/mcf for all Texon gas – including US\$5.30/mcf for Olmos and Eagle Ford gas)

Glossary:

bbl: barrel

boe: barrels of oil equivalent (including gas converted to oil equiv barrels on basis of 6mcf to 1barrel of oil equiv)

mcf: thousand cubic feet

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