

ASX Announcement

Date: 25 August 2011



Texon Petroleum Ltd
ABN 24 119 737 772

Level 9, 46 Edward Street
Brisbane, Qld Australia 4000

Postal: GPO Box 402
Brisbane, Qld Australia 4001

Telephone: +61 7 3211 1122
Fax: +61 7 3211 0133

Directors:

John Armstrong
David Mason
Bernard Rowley

Company Secretary:

Des Olling

Contact:

David Mason
President & CEO
dave.mason@texonpetroleum.com.au

or:

John Armstrong
Chairman
john.armstrong@texonpetroleum.com.au

Website:

www.texonpetroleum.com.au

ASX Code: TXN

Reserves – Mid Year 2011

3P – 10 mmboe

The Company's reserves are dominated by its Eagle Ford holdings. At mid year 2011, the Company's Eagle Ford reserves were assessed by Netherland, Sewell & Associates, Inc. For the rest of the Company's oil and gas properties, the mid year reserves are taken to be the 2010 year end reserves (determined by Delilah B Hainey of Hainey & Hainey, a reservoir consultant to the Company), less production in the first half of 2011.

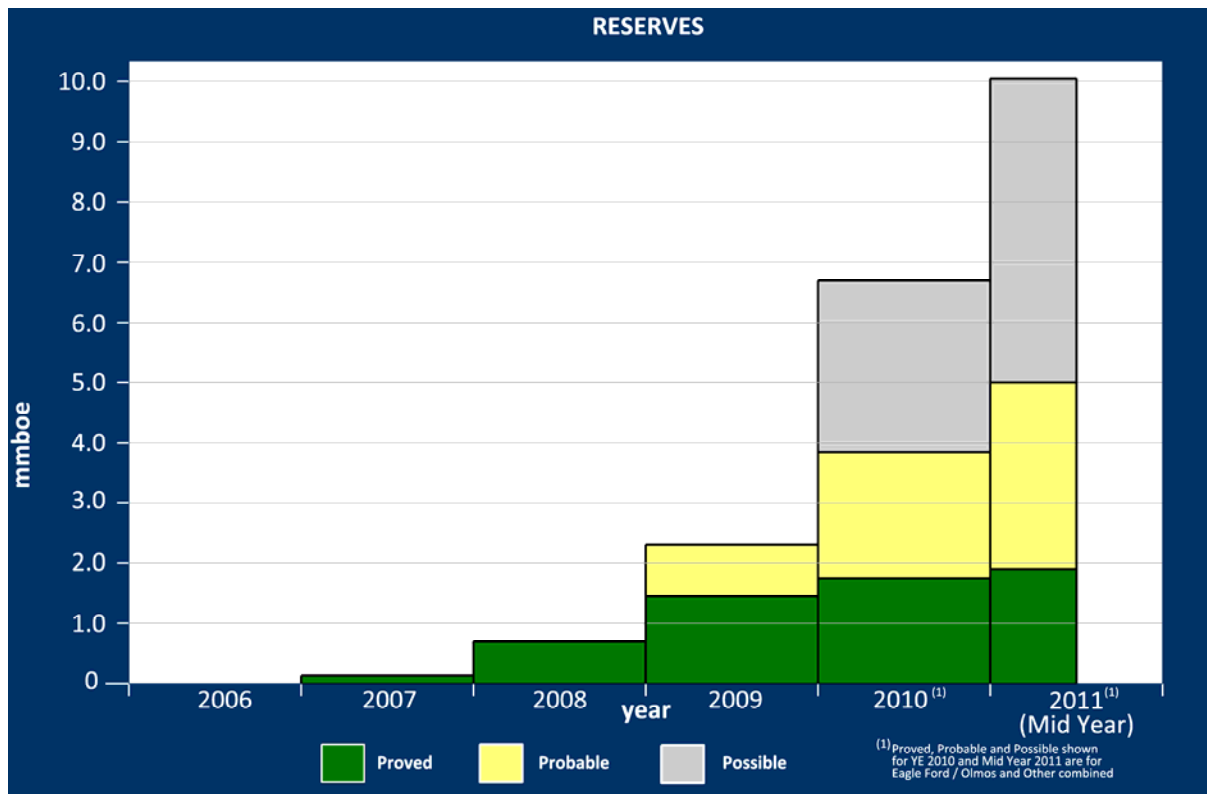
The Eagle Ford reserves attributable to Texon's NRI are set out in the following table:

	mboe			
	Proved	Probable	Possible	Total
Eagle Ford	899	2,540	4,984	8,423

The YE2010 Proved and Probable 'Olmos and Other' (non Eagle Ford) reserves less H1/2011 production are 1.61 mmboe.

The overall Proved, Probable and Possible mid year 2011 Reserves attributable to the Company's NRI amount to just over 10 million boe - an increase of some 50% since year end 2010.

Eagle Ford reserves are 88% oil and gas liquids and make up 84% of the mid year reserves. The 'Olmos and Other' at mid year 2011 make up the remaining 16% and are about 50% oil and gas liquids.



Successful testing of the Company's third and fourth Eagle Ford wells in August and October this year should contribute to a further increase to the Company's reserves at year end 2011. Together with the two producing Eagle Ford wells, successful third and fourth wells would validate 45-50 Eagle Ford well locations out of the potential 75 '80 acre' Eagle Ford well locations on the Company's Eagle Ford leases.

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 Eagle Ford reserves shown in this report.

-ends

Oil and gas futures prices:

Source: NYMEX October 2011

Oil: US\$85.13/bbl

Gas: US\$3.88/mmbtu (this translates to approx. US\$6.40/mcf for all Texon gas – including US\$7.40/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)
bopd:	barrels of oil per day
mcf:	thousand cubic feet
mboe:	thousand barrels of oil equivalent (including gas converted to oil equiv barrels on basis of 6mcf to 1 barrel of oil equiv)
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