



ABN 24 119 737 772

ASX Release

21 July 2011

ELEVENTH LEIGHTON WELL – SUCCESSFUL

Texon advises that Peeler #3 ("P#3") has reached its total vertical depth of 2,774 metres (9,100 feet). This is the eleventh well in the Leighton oil and gas field – all of which are successful oil and gas producers.

P#3 is the northern most well drilled to date in the Leighton field (see attached map). The targeted Olmos sand in P#3 has reservoir characteristics similar to the other Olmos production wells. This positive result confirms that the Leighton Olmos reservoir extends across the northern part of the field and that it contains good quality reservoir further de-risking the 24 undrilled Olmos well locations in the field.

Production casing has been installed in the well in preparation for fracture stimulation in August. The well will then be connected for oil and gas production.

The closest three Olmos production wells, Peelers #1 and #2 and Tyler Ranch #5 tested at initial rates of 170-445 boepd, including 80% oil, although as production progresses the proportion of gas increases.

Texon has a 50% working interest (37.5% net revenue interest) in Peeler #3.

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

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

Oil: US\$98.10/bbl

Gas: US\$4.55/mmbtu (approx. US\$6.90/mcf for all Texon gas – including US\$7.70/mcf for Olmos and Eagle Ford gas)

-Ends-

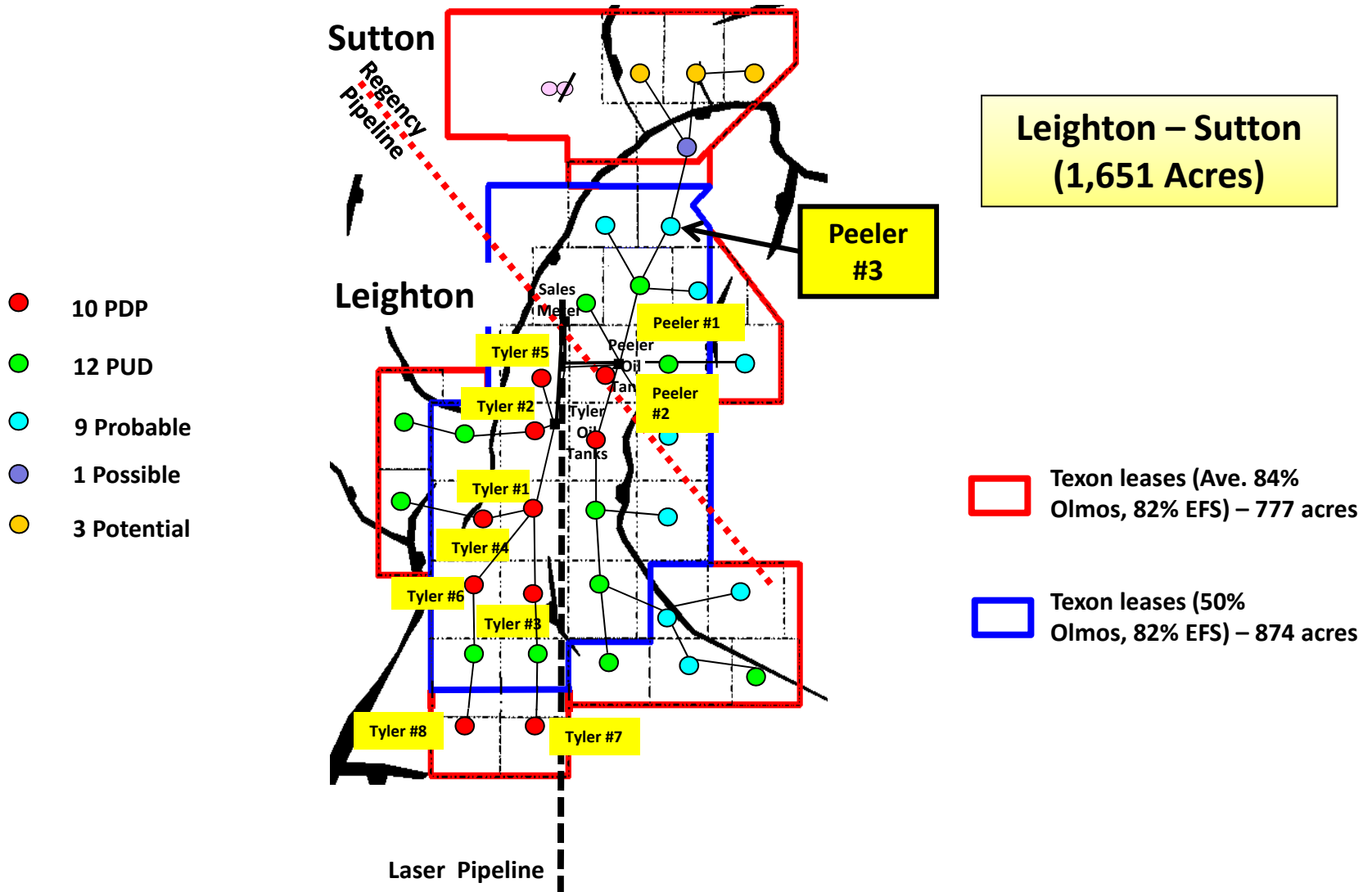
For further information, please contact:

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
boepd: barrels of oil equivalent per day (including gas converted to oil equiv barrels on basis of 6mcf to 1 barrel of oil equiv)
mcf: thousand cubic feet
mmbtu: million British thermal units



**Leighton – Sutton
(1,651 Acres)**