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ASX Release
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FOURTH EAGLE FORD WELL

Texon's fourth Eagle Ford well (Hoskins EFS #1H) spudded on the 30th of July.

The location of the well is shown on the attached map. The orientation of the well reflects the direction of the geological structure in this area. Advice from Texon's frac consultant is that this well orientation should improve the result of the fracture stimulation of the well.

This well will be drilled from north west to south east with the total depth of the well (16,000 feet) being near to a vertical Eagle Ford well drilled early in 2010. This well (MR #1) (the dot just to the north of the eastern end of EFS #4) penetrated some 140' of the Eagle Ford with slightly better Eagle Ford rock properties (based on a NuTech evaluation) than encountered by the vertical wells near to the Company's Eagle Ford Nos. 1 and 2 horizontal wells. The latter wells flowed at initial rates of 1,332 and 1,227 boepd respectively.

Texon's EFS #4 well will have a horizontal section of 4,500' similar to the Company's first 3 Eagle Ford wells and is expected to take 35 days to drill.

Texon has a 100% WI in the cost of the well and a 71.25% NRI in the production.

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

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

Oil: US\$94.51/bbl

Gas: US\$4.18/mmbtu (this translates to approx. US\$6.90/mcf for all Texon gas – including US\$7.90/mcf for Olmos and Eagle Ford gas)

-Ends-

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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
NRI: Nett revenue interest
WI: Working interest

