

ASX Announcement
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Eagle Ford – Now 7,200 Acres

Texon advises that it has acquired a further 480 acres of Eagle Ford leases. Location of the leases is shown on the attached map.

This takes Texon's Working Interest Eagle Ford holdings to 7,200 acres out of a gross 7,700 acres.

The new leases are in close proximity to the Company's existing leases. On an 80 acre per well basis, the Company now has some 90 potential Eagle Ford well locations, including the four (4) Eagle Ford wells already drilled.

Texon has an overall 93.5% Working Interest in its Eagle Ford leases.

Texon's Eagle Ford wells produce 90% oil and gas liquids and 10% gas. The re-engineered No. 3 and 4 wells have produced 28% and 14% more oil in their first 60 days production, compared with Texon's first Eagle Ford well. The initial rates from these three wells averaged 1,500 boepd and their combined 60 day average was 685 boepd.

The results for these wells were most recently reported in the Company's releases of 28th November and 15th December 2011.

Texon has a sound lease position in the highly oil productive part of the Eagle Ford trend and is now considering how to realize the value of the Company's Eagle Ford holdings.

Oil and gas futures prices:

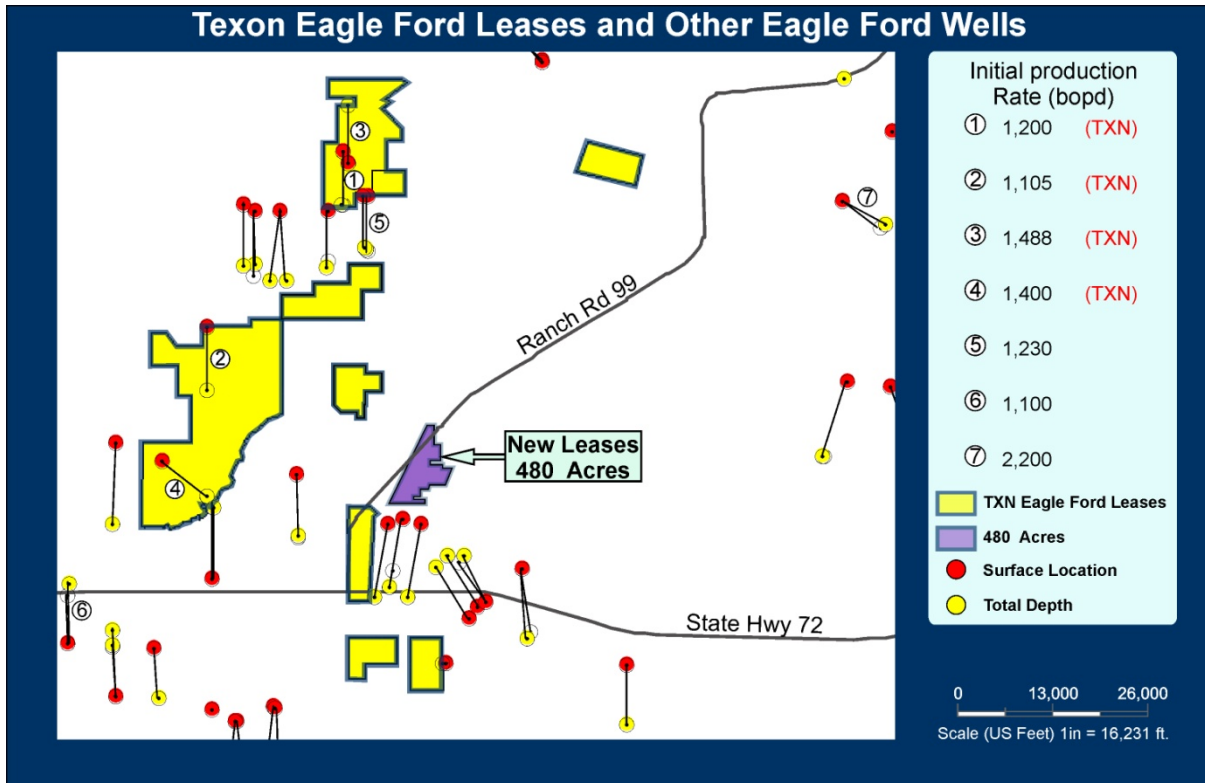
Source: NYMEX February 2012

Oil: US\$101.44/bbl

Gas: US\$2.97/mmbtu (this translates to approx. US\$4.90/mcf for all Texon gas – including US\$5.60/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)
mcf:	thousand cubic feet
mmbtu:	million British thermal units
NRI:	Net Revenue Interest
WI:	Working Interest



Attachment to Texon Release dated 6 January 2012