

## ASX Announcement

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**ASX Code: TXN**

## Wilcox Oil Test 37 bopd

Texon's first Wilcox well (Hoskins No. 2 (Wilcox)) is producing oil at the rate of 37 bopd (37° API). Texon has a 95% WI (71.25% NRI) in the well.

The production is after fracture stimulation of two zones which NuTech (*a log analysis specialist company which analysed Texon's Eagle Ford and Olmos reservoirs as well as working for numerous other companies*) calculates represent 13 feet of pay.

The vertical part of the nearby Hoskins 1H (EFS) well contains 34' of NuTech indicated pay in the same interval.

The Teal #1 (H) EFS in the northern part of the Company's Mosman/Rockingham leases has 50' of indicated log pay in the same interval (5,800' – 6,400' in Teal #1H).

These results suggest that the Wilcox reservoirs could occur over at least the western (possibly 1,500 – 2,000 acres) part of the Company's Mosman/Rockingham leases.

Subject to the production performance of the Hoskins #1 (Wilcox) well over the coming months, then a second Wilcox well near the vertical part of the Teal #1 (H) EFS may be drilled to test the 50' of indicated Wilcox pay in this well.

A successful Wilcox well at Teal would provide encouragement that the Wilcox could be oil productive over a significant part of the Company's Mosman/Rockingham leases. At this stage it is unknown whether Wilcox wells in this area would drain 10, 20 or 40 acres per well, although indications as to this and expected oil recovery per well should begin to emerge after a few months of production.

Clifford S. Foss, President of Texon Petroleum said "This is a very good result with significant upside oil potential for the Company."

**Oil and gas futures prices:**

Source: NYMEX February 2012

Oil: US\$101.36/bbl

Gas: US\$3.01/mmbtu (this translates to approx. US\$5.00/mcf for all Texon gas – including US\$5.70/mcf for Olmos and Eagle Ford gas)

**Glossary:**

API: American Petroleum Institute

bbl: barrel

bopd: barrels of oil per day

mcf: thousand cubic feet

mmbtu: million British thermal units

NRI: Net Revenue Interest

WI: Working Interest

