### ASX Announcement

Date: 10 December 2012



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# Current Drilling Wells Update

As previously announced in the 30 November ASX release, **Hoskins #4H**, the eighth Texon Eagle Ford well commenced drilling operations on 6 December 2012. The Hoskins #4H well, a lease obligation well is planned for a lateral length of 7420 ft. at a measured depth of 18,800 ft, at a true vertical depth of 11,340 ft. Fraccing operations are planned to begin in late January 2013 pending crew and equipment availability.

The previously announced **Hoskins #3H** and the **Quintanilla SM EF #1H** (sixth and seventh Eagle Ford wells) have been cased for completion operations and are planned to be fracture stimulated commencing 17 December 2012.

Production facilities and pipeline connections for these wells will be completed in the next several weeks prior to flow back and production testing of the wells anticipated in January/February 2013.

President Clifford Foss said "All three of these new wells are longer laterals than any of our previous wells and we hope the added lateral length and additional frac stages will add significant reserve value and production rate increases to Texon's holdings in McMullen Co. Texas."

The attached map shows the wells surface and bottom hole locations.

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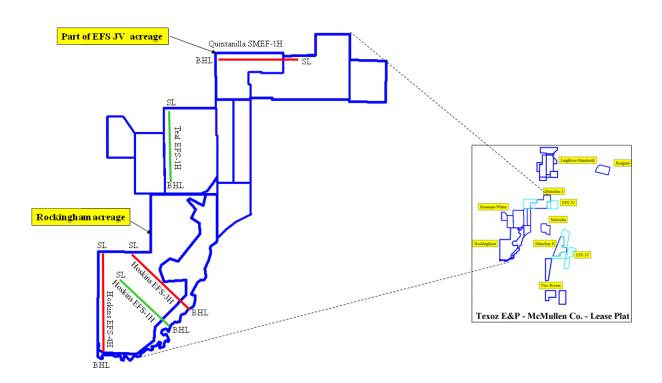
#### Current oil and gas futures prices:

Source: NYMEX January 2013

Oil: US\$86.42/bbl

Gas: US\$3.64mmbtu (this translates to approx. US\$5.90/mcf for

Texon gas)



Glossary: bbl: barrel bo: barrels of oil

boe: barrels of oil equivalent

barrels of oil equivalent per day (including gas converted to oil quiv barrels on basis of 6mcf to 1 barrel of oil equiv) boepd:

ft: feet

thousand cubic feet thousand cubic feet of gas million British thermal units mcf: mcfg: mmbtu:

WI: Working Interest