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EAGLE FORD ENCOURAGEMENT FOR TEXON NEARBY SWIFT WELL FLOWS OIL 1,134 BOPD

Texon advises that a horizontal Eagle Ford well drilled by Swift Energy Company 1½ miles (2.5km) from Mosman-Rockingham has flowed 1,134 bopd and 1.1 mmcfd (1,310 boepd). This is an important well as it indicates that the Eagle Ford Shale ("EFS") in the Leighton-Mosman-Rockingham-Sutton ("LMRS") leases (*see attached map*) could be oil productive.

The Swift result together with seismic evidence and vertical well results in Mosman-Rockingham #1, Tyler Ranch #4 (in Leighton) and Sutton Peeler #1, supports the view that the EFS is present across the entire 4,869 acres of the LMRS leases.

Nutech analysis of the wireline logs from the above Texon wells indicates that the EFS in LMRS has good reservoir characteristics and that the porosity contains 70% hydrocarbons – which in view of the Swift well could be oil.

Texon estimates that there could be 31 million barrels of producible oil in the EFS in its LMRS leases – as to the Company's current Working Interest, which together with the gas, would make a total of some 37 mmboe to Texon.

The EFS in Texon's leases has been and continues to be de-risked by seismic evidence as to the presence of the EFS; by the three Texon vertical wells where 137-143' of good quality EFS reservoir was calculated by Nutech; and by surrounding EFS horizontal wells by other companies confirming the high oil and gas producibility of the EFS in the area. The likelihood of the EFS being oil bearing in the LMRS is evidenced by the Swift well and LMRS being in the heart of the oily EFS trend.

A second Swift EFS horizontal well is being drilled just south of Leighton between Leighton and Mosman-Rockingham. Results are not yet known.

Texon CEO David Mason said:

"The Swift well's 1,134 bopd is encouraging for Texon as it and the second Swift well are helping to de-risk the EFS in the LMRS area adding confidence in the low risk oil upside of the EFS in Texon's LMRS leases."

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

Oil and gas futures prices (Source: NYMEX June 2010 contracts)

Oil: US\$ 75.86/bbl

Gas: US\$ 4.26/mmbtu (approx. US\$4.90/mcf for all Texon gas – including US\$6.00/mcf for Leighton Olmos 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)
bopd:	barrels of oil per day
EFS:	Eagle Ford Shale
ft:	feet
mcf:	thousand cubic feet
mmboe:	million barrels of oil equivalent (including gas converted to oil equivalent barrels on basis of 6mcf to 1 barrel of oil equivalent)
mmbtu:	million British thermal units
mmcfd:	million cubic feet of gas per day

Eagle Ford probably across whole of TXN LMRS Area

