

ASX Announcement

Date: 5 August 2011



Texon Petroleum Ltd
ABN 24 119 737 772

Level 9, 46 Edward Street
Brisbane, Qld Australia 4000

Postal: GPO Box 402
Brisbane, Qld Australia 4001

Telephone: +61 7 3211 1122
Fax: +61 7 3211 0133

Directors:

John Armstrong
David Mason
Bernard Rowley

Company Secretary:

Des Olling

Contact:

David Mason
President & CEO
dave.mason@texonpetroleum.com.au

or:

John Armstrong
Chairman
john.armstrong@texonpetroleum.com.au

Website:

www.texonpetroleum.com.au

ASX Code: TXN

Iluka Drilling

Rig Then Moves to Texon's First Wilcox Oil Test

Iluka

Texon advises that the Iluka well (Scherer #1) spudded on the 1st of August.

This is a small gas prospect where the Yegua reservoir is the target. Iluka is the last of Texon's three (3) shallow Yegua prospects to be drilled. Texon originally had a 100% WI but sold all three Yegua prospects on a promoted basis to a private USA based company. Wells on the prior two prospects were successful Yegua completions for gas production.

The cost to Texon's retained 32.5%WI is largely covered by the promoted USA based company.

Wilcox

Drilling of Iluka is expected to take 10 days, at which time the rig will move to drill Texon's first well where Wilcox oil reservoirs are the target. (Please refer to Texon's release of 7 April 2011).

-ends

Oil and gas futures prices:

(Source: NYMEX Sept 2011 contracts)

Oil: US\$90.29/bbl

Gas: US\$4.07/mmbtu (this translates to approx. US\$6.70/mcf for all Texon gas – including US\$7.70/mcf for Olmos and Eagle Ford gas)

Glossary:

bbl:	barrel
mcf:	thousand cubic feet
mmbtu:	million British thermal units
WI:	Working Interest