

ASX Announcement

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Wilcox - Increased Oil Flow Now 55 bopd

At the time of the Company's release yesterday, it was thought that production from its first Wilcox well (Hoskins No. 2 (Wilcox)) had stabilized. However, the well has improved and over the following 24 hours flowed at 55 bopd.

Texon has a 95% WI (71.25% NRI) in the well.

Using this initial rate and forecast production including an assumed natural decline, then payout of Texon's investment in the well is estimated to be in 6-12 months.

See also Texon's Wilcox announcement on 10th January 2012 which contains a map showing the location of the well.

Oil and gas futures prices:

Source: NYMEX February 2012

Oil: US\$102.20/bbl

Gas: US\$3.11/mmbtu (this translates to approx. US\$5.20/mcf for all Texon gas – including US\$5.90/mcf for Olmos and Eagle Ford gas)

Glossary:

bbl: barrel

bopd: barrels of oil per day

mcf: thousand cubic feet

mmbtu: million British thermal units