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EAGLE FORD SHALE – EDWARDS LIMESTONE

POTENTIAL UPSIDE IN TEXON'S LEIGHTON & MOSMAN LEASES

Texon Petroleum Ltd ("Texon") advises that since outlining its 2009/10 Business Plan at the Company's AGM in May, studies have indicated the likely presence of the oil and gas productive Eagle Ford Shale and the possible presence of the Edwards Limestone (which is gas productive in nearby wells) under the Company's 1,800 acres of Leighton and Mosman leases.

The Leighton and Mosman leases are approximately 25 km to the North East of the Antares Yellow Rose Project where Antares recently reported the Eagle Ford and Edwards results of its Frances Dilworth No 2 Well.

Information from Eagle Ford wells suggests that gas from the Eagle Ford Shale at Leighton and Mosman could be liquids (oil) rich. USA based company, Petrohawk, is an active driller in the Eagle Ford Shale reporting an initial flow rate of 7.6mmcfgpd and 250bbl condensate (oil) per day (9.1mmcfegpd) from its first horizontal well at a depth of 11,300 feet, where the Eagle Ford Shale has a thickness of 250 feet. Estimated cost of such a well is US$5-7 Million. Petrohawk estimates ultimate recovery per well of 4-7Bcfe or approximately 1 million boe per well.

Mosman is a Leighton look-alike prospect, some 5-6 km to the south of Leighton and on the same geological trend.

At Leighton, Texon has a 100% Working Interest ("WI") in 400 acres, and 70% WI in 800 acres. Texon has a 100% WI in the 600 acres in Mosman.

The Eagle Ford formation is estimated to occur at a depth of about 10,500 feet (3,200 metres) in the Leighton and Mosman leases (i.e. about 1,700 feet below the producing oil and gas reservoir in Peeler #1 and Tyler Ranch #1). At Leighton and Mosman, the Eagle Ford Shale is estimated to have a thickness of 150 – 200 feet which on the basis of the Petrohawk results suggests the possibility of a success case 6-800,000 boe per well from the Eagle Ford Shale at Leighton and Mosman.

As an indication of the potential to Texon, a 150-200 feet thick Eagle Ford Shale across the 1,800 acres of Leighton and Mosman leases could contain a gross 7-9 mmboe of recoverable oil and gas (potentially 3.7-4.7 mmboe to Texon at an av. 70% Wi) provided it can be produced at commercially viable rates.

The importance of this to Texon is that each Eagle Ford/Edwards well at Leighton and Mosman could add oil and gas volumes several times the volume attributable to each of the wells which will be drilled to develop the reservoir currently producing from Leighton wells, Peeler #1 and Tyler Ranch #1. Eagle Ford Shale wells could have an initial production rate

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potentially three to four times the initial rates from the Peeler and Tyler Ranch wells which produce from the already discovered Leighton reservoir. Production from the Eagle Ford Shale or the Edwards Limestone at Leighton could benefit from existing Leighton oil and gas production facilities.

The cost of a vertical well to the Eagle Ford Shale at Leighton is estimated to be less than US$1Million, although a Leighton development well could be deepened vertically to the Eagle Ford Shale and the Edwards Limestone for a small incremental dry hole cost.

An alternative to deepening a Leighton development well would be for the Company to seek a farminee to share the cost of drilling wells to the Eagle Ford Shale and Edwards Limestone below the Leighton Field and below Mosman – to investigate the potential of the Eagle Ford Shale and Edwards Limestone at these locations and to assess whether they contain oil or gas in commercially producible quantities.

The Company is considering which of these options will provide most benefit to shareholders in the event that wells to the Eagle Ford Shale/Edwards Limestone are successful.

-ENDS-

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Glossary:

bbl:	barrel
Bcfe:	billion cubic feet of gas equivalent (including oil converted to gas equivalent mcf on basis of 1 barrel to 6mcf of gas equivalent)
Boe:	barrels of oil equivalent (including gas converted to oil equivalent barrels on basis of 6mcf to 1 barrel of oil equivalent)
Mmboe:	million barrels of oil equivalent (including gas converted to oil equivalent barrels on basis of 6mcf to 1 barrel of oil equivalent)
Mmcfgepd	million cubic feet of gas equivalent per day (including oil converted to gas equivalent mcf on basis of 1 barrel to 6mcf of gas equivalent)
Mmcfgpd	million cubic feet of gas per day
WI:	Working Interest