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TEXON INVESTIGATING OPTIONS FOR LEIGHTON OLMOS DEVELOPMENT

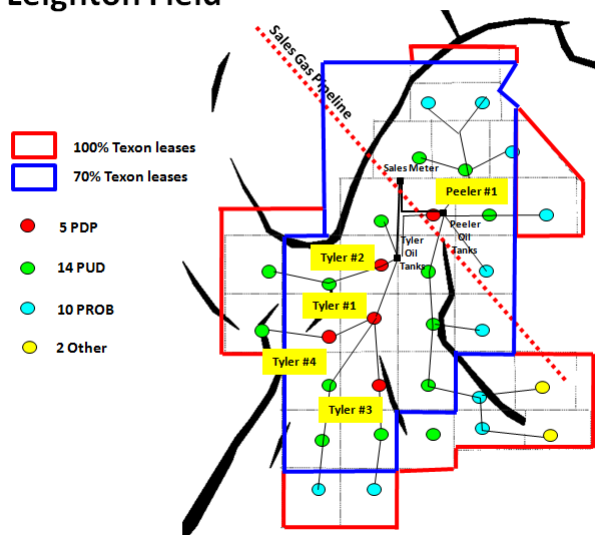
Texon has mandated the Commonwealth Bank of Australia (the "CBA") through its wholly owned subsidiary Texoz E&P II, Inc. to explore financing options to develop the Company's Leighton field over the next several months. The CBA is a leading provider of upstream oil and gas financing with a dedicated oil and gas team with offices in Australia and North America. The terms of the mandate include the issue of 300,000 Texon Petroleum Ltd unlisted options to CBA, exercisable over three years from issuance with a strike price of \$A0.26/share.

The Company's Leighton field has a resource potential for the Olmos oil and gas reservoir of 4mmboe as to the Company's working interest. The Leighton drilling campaign has resulted in a 100% success so far. Currently there are 5 producing wells with an average nett production as to the Company's working interest of 284 boepd. There remains an additional 26 potential drill sites including 14 Proved undeveloped well locations and 10 Probable well locations.

Texon continues to strive to improve drilling efficiencies and achieve cost reductions. Drilling time for the Company's latest well Tyler Ranch #4 was reduced by 30% compared with the drilling time on the first Leighton well Peeler #1. Costs have also halved in that period and are currently US\$1million per well to drill and tie in an Olmos well to the oil tanks and sales pipeline.

Should financing be obtained this will enable the Company to initiate a significant multi well Olmos reservoir development drilling program in 2010. Currently three new Leighton Olmos wells are planned to be drilled in Leighton this year from existing cash flow.

Leighton Field



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Glossary:

boepd barrels of oil equivalent per day (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)