

**Good Oil Conference
1-2 September 2009**



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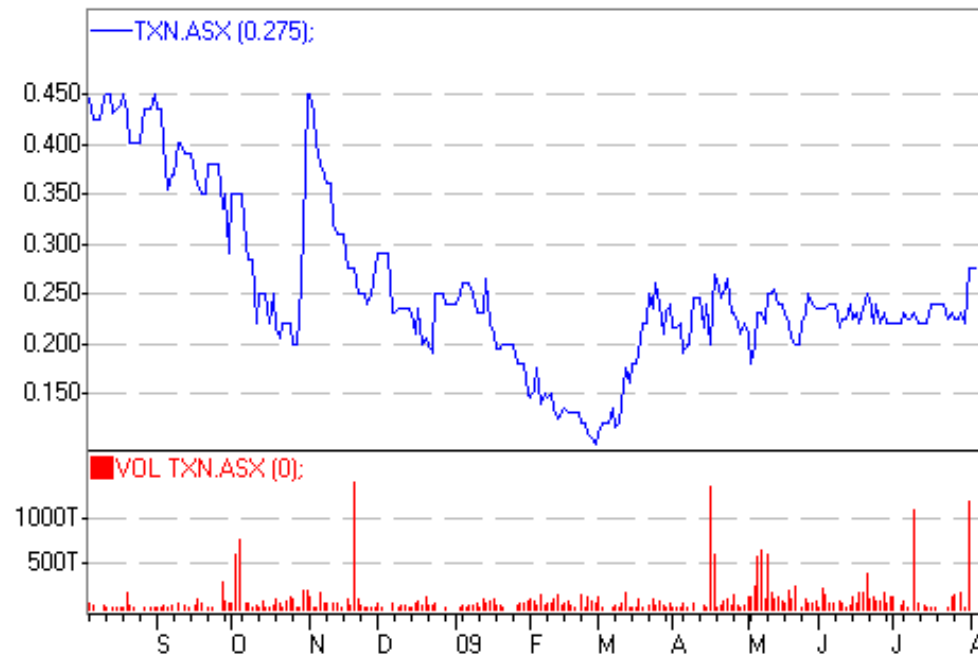
Capital Structure



Capital Structure

Current Share Price	\$0.255 (at 10/8/09)
Number of Shares on Issue	103,522,425
Market Capitalisation	\$26,398,218

12 month Share Price Chart



Source: IRESS



Overview ⁽¹⁾



- The Company has between 1.1 – 1.6mmboe (proved 1.1; probable 0.5)
 - An NPV of approx A\$30-40/boe (\$33m – \$64m);
 - Potential to significantly increase reserves through production well drilling on Leighton and lower risk exploration on Mosman;
- The Company's daily nett production has recently been ca. 380 boepd
- **80% exploration success rate:**
 - However to improve the return to shareholders on exploration success TXN has lifted the materiality threshold on the potential size and flow rate of the targeted prospects;

⁽¹⁾ Based on the Company's May 2009 Business Plan



Wells – Track Record and Learnings – The First 2 Years (*)



- THE TEAM + TECHNOLOGY WORK**

Materiality	Reservoir <u>Target</u>	<u>Result</u>
	Leighton	2 out of 2
	Wilcox	0 out of 1
	Yegua	3 out of 4
	Frio ⁽¹⁾	7 out of 7
	Total	12 out of 14

80%
Technical
Success
Rate

Acceptable prospects
must now satisfy same
technical criteria but
also raised materiality
"bar" (i.e. Reserves and
Initial Production Rate)

⁽¹⁾ Texon has 7 more 100% WI leased and ready to drill low risk Frio prospects – available for farm-in

* Extracted from the Company's May 2009 Business Plan



Overview ⁽¹⁾



- Texon have got exclusive access to all of the prospects generated from 16,000sqkm of on-shore Texas 3D seismic for the next several years (over 150 surveys);
- Texon have got prospects ready to drill and being matured for drilling – prospects ready for farm-in and drilling;
- Costs of drilling and petroleum operations in Texas are about 40% to 50% less than they were a year or so ago;
- More quality drill ready prospects than we can deal with and are looking for partners to share the future with Texon.

⁽¹⁾ Based on the Company's May 2009 Business Plan



Projects ⁽¹⁾



The below table outlines the prospects that meet the new materiality and technical threshold (excluding the Leighton and Mosman prospects)

	Type	Risk	No. of wells	Assumed WI (%)	Unrisked Size (mmboe)
Lower Risk Oil Projects	Oil/Gas	Medium	8	50	0.6
Lower Risk Gas Projects	Gas	Low - Medium	11	50	0.8 – 1.6
High Upside Gas Specials (Maroubra)	Gas	High	1-2	35	3.5 – 8.8
	Texon				5-11

⁽¹⁾ Summary (apart from Leighton / Mosman) of the Company's lower risk prospects from the Company's May 2009 Business Plan.



Olmos and Eagle Ford



- Olmos is the producing reservoir at Leighton at about 8,500' (IP's 300 bopd, 1 mmcf/gpd)
- Olmos is the primary target reservoir at Mosman at about 8,500'
- Eagle Ford target is forecast to be 2,000' deeper than the Olmos at Leighton and Mosman (IP's 200-400 bopd, 4-8 mmcf/gpd)



Eagle Ford and Olmos ⁽¹⁾



LEASED

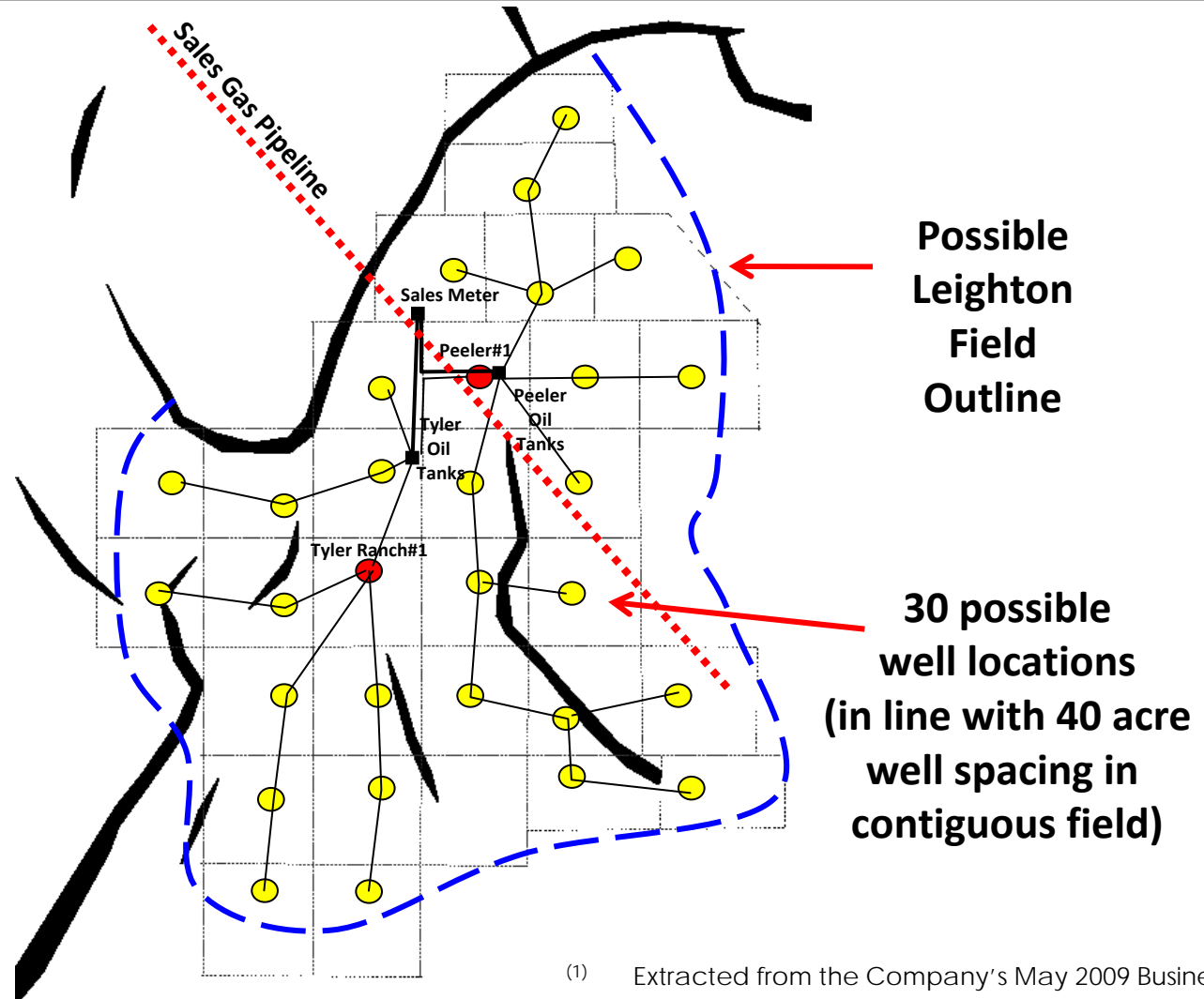
	Type	Risk	Potential No. of wells	Assumed WI	Size (mmboe)
Leighton Olmos	Oil/Gas	Low	30 ⁽²⁾	70%	2.5
Leighton Eagle Ford	Oil/Gas	Medium	7	50%	1.8
Mosman Olmos	Oil /gas	Low	15	50%	1.0
Mosman Eagle Ford	Oil/Gas	Medium	7	50%	1.8
	Total				7.1

**Total
7.1 mmboe**

- (1) Potential sizes of Olmos and Eagle Ford targets in Leighton and Mosman and nearby prospects
 (2) Includes 2 producing / 12 Proved / 6 Probable



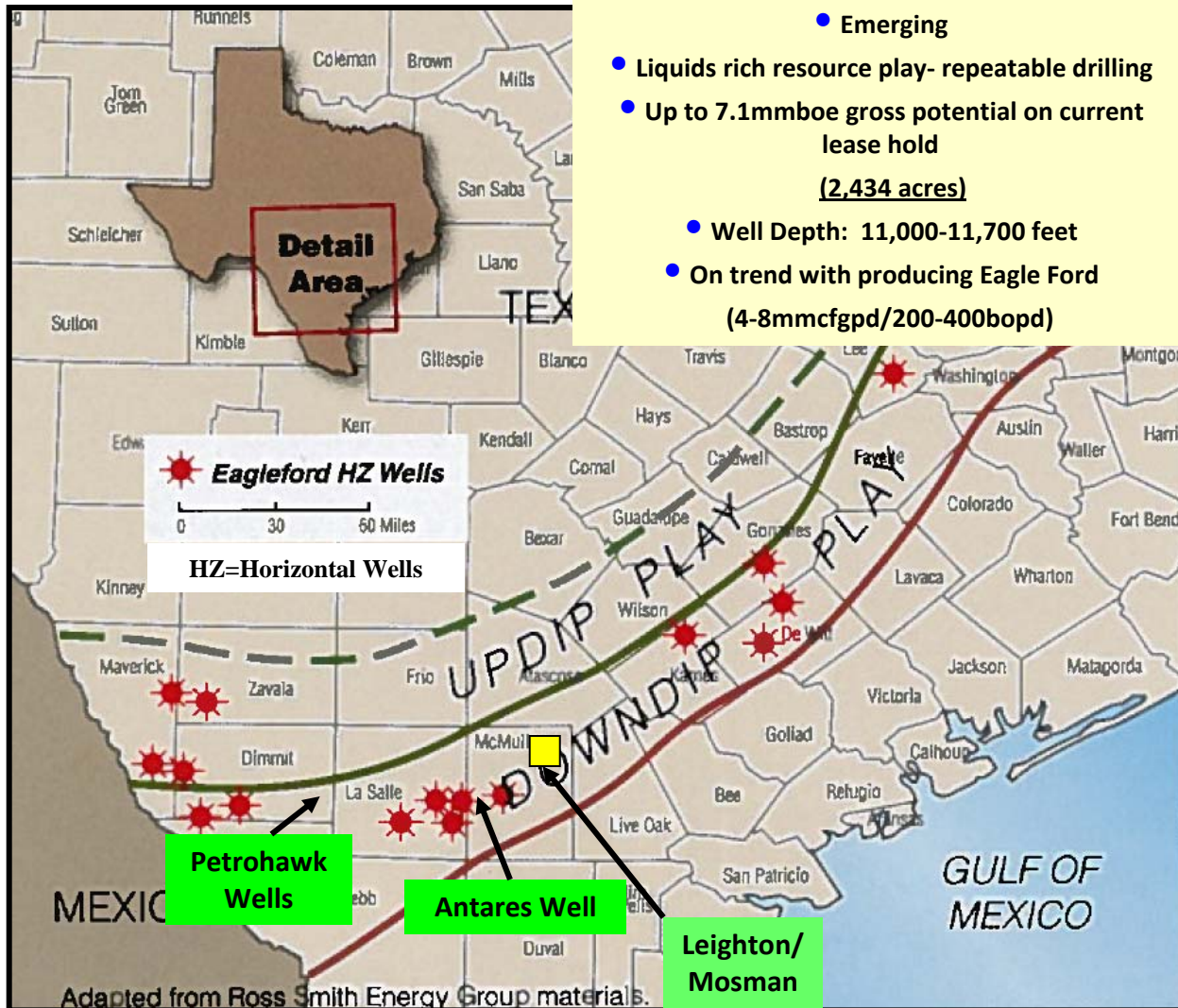
Leighton - 30 possible well locations ⁽¹⁾



(1) Extracted from the Company's May 2009 Business Plan



Eagle Ford Shale Trend



- Emerging
- Liquids rich resource play- repeatable drilling
- Up to 7.1mmboe gross potential on current lease hold
(2,434 acres)
- Well Depth: 11,000-11,700 feet
- On trend with producing Eagle Ford
(4-8mmcf/gpd/200-400bopd)



Forward Program



- H2, 2009 3 Leighton Development Wells
Possibly a 4th Leighton well or a 1st well on the Mosman prospect
Deepen 1 Well to Eagle Ford on Leighton and Mosman(if drilled)

Establish appropriate funding for the continuation of the development of the Leighton oil and gas field in 2010

Add additional look-a-like prospects to the portfolio – e.g. Mosman already leased

- Seek partners to share funding of leases and drilling for Mosman and other low risk prospects in portfolio for drilling in 2009/2010.



Prospects



Prospect	Type	Target	Area (acres)	Potential Number of Wells	Texon Working Interest %	Working Interest Available %	Gross Target Size ⁽²⁾ mmboc
Leighton (oil / gas)	Development	Olmos ⁽¹⁾	800	20	70	0 - 20	} 4.8
		Olmos	400	10	100	30	
	Exploration	Eagle Ford	800	} 7	70	0 - 20	} 4.2 – 5.6
			400		100	30 – 50	
Mosman (oil / gas)	Exploration (Leighton look-alike)	Olmos	600	15	100	30 – 50	2.7
		Eagle Ford	1,234	8	100	30 – 50	4.8 – 6.4
Glimmer A/B (oil / gas)	Exploration (low risk)	Vicksburg	160	2	100	30 – 50	1.2
Lennox Nambucca Iluka (gas)	Exploration (low risk)	Yegua	100	3	100	30 – 50	0.4
Pebbly (gas)	Exploration (low risk)	Expanded Frio	200	Up to 3	100	30 – 50	0.45 – 0.9
Sunshine (gas)	Exploration (low risk)	Wilcox	500	Up to 3	100	30 – 50	1.2 – 3.0
Maroubra (gas)	Exploration (med risk)	Wilcox	600	Initially 1 then Development	100	50 – 65	13 – 33
Scarborough (gas)	Exploration (med risk)	Wilcox	450	Initially 1 then Development	100	50 – 65	5 - 16

(1) This is the producing reservoir at Peeler and Tyler Ranch – the first two (2) producing wells in this 800 acres in the Leighton Field where Texon has a 70% WI;

(2) Gross target size refers to 100% WI



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