



ABN 24 119 737 772

30 April 2009
ASX release

MARCH 2009 QUARTERLY REPORT

PRODUCTION

Production for the quarter was:

	Gas (mcf)	Oil (bbl)	Total (mcf)
Gross	215,609	5,784	250,313
Nett (Texon share)	149,619	3,287	169,342

Year to date (3 months):

	Gas (mcf)	Oil (bbl)	Total (mcf)
Gross	215,609	5,784	250,313
Nett (Texon share)	149,619	3,287	169,342

Gross average daily production for the March quarter was 2,396 mcfgpd and 64 bopd (Texon's share: 1,662 mcfgpd and 37 bopd) from 8 producing wells which does not include the recent Tyler discovery but includes some production from Yamba #1 which ceased production in January and has been shut-in waiting on abandonment.

Daily production as of 30 April 2009 was Gross: 2,366 mcfgpd and 274 bopd (Texon's share: 1,550 mcfgpd and 146 bopd). Current oil and gas prices are approximately US\$50/bbl and US\$3.40/mcf respectively.

REVENUE

Revenues received for the quarter and the year to date before severance tax and lease operating expenses were US\$1.21million. Cash proceeds from gas and oil sales are received two months after production and sales take place, so that the revenue received for the quarter is from production during November, December and January. The average oil and gas market prices during the quarter were about US\$40/barrel and US\$4.70/mcf, respectively.

RECENT ACTIVITIES

- **Leighton Oil and Gas Project (Tyler Ranch #1) (Texon 70% WI, 52.5% NRI)**

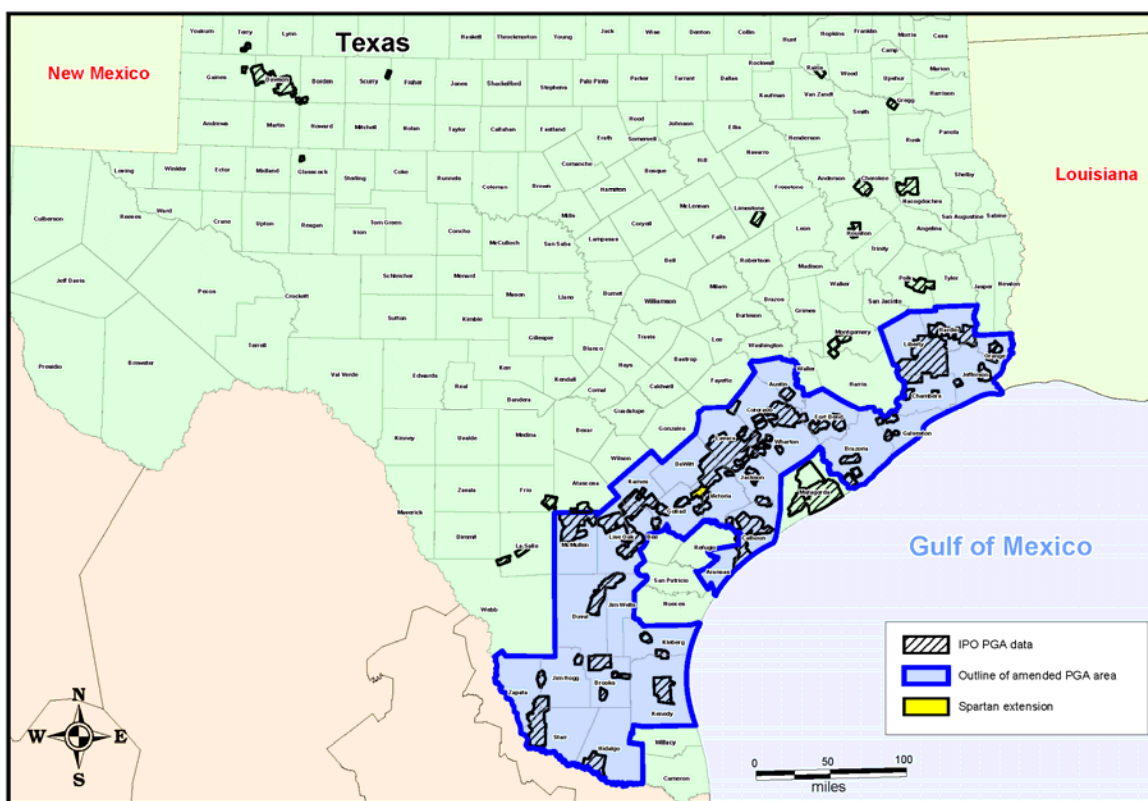
The Tyler Ranch #1 well was drilled in March and tested during April and tied into the oil tanks and the sales gas pipeline on 14 April 2009. Over its first 12 days, Tyler Ranch #1 produced 5,000 boe (417 boepd) - about 70% more than Leighton's first well, Peeler #1, did for this period.

- **Area Extension for the Texon / Wandoo Agreement**

Subject to approval by shareholders at the planned late May AGM of the Company, agreement has been reached with Wandoo Energy LLC ("Wandoo") to substantially enlarge the area in Texas which is subject to the terms of the Prospect Generation Agreement ("PGA") between Texon and Wandoo.

Per the proposed new agreement, the Company will have first right of refusal over all prospects generated by Wandoo from the enlarged area shown on the following map, except for the yellow area which was not included in the IPO PGA. The effect of the amendment is to provide Texon with access to prospect opportunities outside the currently applicable PGA survey areas in circumstances where the current PGA data indicate the presence of prospects in areas nearby but outside the current data.

Please also refer to the Company's release dated 22 April 2009.



Proposed Amended Prospect Generation Agreement Data Area

- **Leasing**

Texon continues to grow its lease position in the vicinity of Avoca and Leighton discoveries.

Two additional prospects, Iluka and Nambucca, have been leased adjacent to the Company's Avoca well which is producing about 1mmcfcpd and 15bopd. Both have a resource potential of 0.5-0.8 Bcf and similar geological and geophysical characteristics to Avoca.

Discussions have begun with petroleum rights owners on additional prospects and well locations in the Leighton area that offer similar multi-well development potential if leases can be acquired and drilling is successful.

Texon Petroleum Ltd

Level 9, 46 Edward Street, Brisbane, Qld 4000
 Postal Address: GPO Box 402, Brisbane, Qld 4001
 Telephone: +61 (07) 3211 1122 Fax: +61 (07) 3211 0133
www.texonpetroleum.com.au

LEIGHTON OIL AND GAS PROJECT (Texon 70%WI and 52.5% Beneficial Interest)

The successful testing of Tyler Ranch #1 together with the first Leighton well (Peeler #1) has established a further nine (9) 40 acre proved undeveloped well locations contiguous with the Peeler and Tyler Ranch wells. Successful drilling of these locations could establish nine (9) more well locations which if successful would bring the total number of Leighton production wells to 20.

Please refer to the Company's release dated 17 April 2009 and also the Company's Financial Report for the year ended 31 December 2008.

ENDS

For further information, please contact:

Dr John Armstrong, Chairman
Brisbane: 07 3211 1122
or

Mr David Mason, Chief Executive Officer & President
Brisbane: 07 3211 1122
Houston: +1 281 419 4976 (Houston is 15 hours behind Aust Eastern Standard time)

Glossary:

bbl: barrels
 bcf: billion cubic feet
 boe barrels of oil equivalent
 boepd: barrels of oil equivalent per day
 Btu: British thermal unit
 bopd: barrels of oil per day
 mcf: thousand cubic feet
 mcfe: thousand cubic feet of gas equivalent including oil converted to gas equivalent on the basis of 6mcf for each barrel of oil
 mcfgpd: thousand cubic feet of gas per day
 NRI: Net Revenue Interest
 Q1-Q4: Refers to the first, second, third and fourth calendar quarters of the year
 WI: Working Interest

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

TEXON PETROLEUM LTD

ABN

24 119 737 772

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	1,806	1,806
1.2 Payments for		
(a) exploration and evaluation	(1,548)	(1,548)
(b) development	-	-
(c) production	(412)	(412)
(d) administration	(373)	(373)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(515)	(515)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(515)	(515)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(515)	(515)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(515)	(515)
1.20	Cash at beginning of quarter/year to date	4,833	4,833
1.21	Exchange rate adjustments to item 1.20	10	10
1.22	Cash at end of quarter	4,328	4,328

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	373
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Payment of salaries and fees to directors and related parties under approved agreements

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	N/a

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

3.2 Credit standby arrangements	Nil	N/a
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Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,082
4.2 Development	-
Total	1,082

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,678	1,900
5.2 Deposits at call	2,650	2,933
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,328	4,833

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	None			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	None			
7.3 +Ordinary securities	90,019,500	61,365,000 * *28, 654,500 restricted until 14 May 2009		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	None			
7.5 +Convertible debt securities <i>(description)</i>	None			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	None			
7.7 Options <i>(description and conversion factor)</i>	A. 9,980,500 B. 2,770,000 C. 3,000,000 D. 5,780,000 E. 2,500,000 F. 2,500,000 G. 2,700,000	9,980,500 nil nil nil nil nil nil	<i>Exercise price</i> 50 cents 50 cents 75 cents 100 cents 50 cents 100 cents 75 cents	<i>Expiry date</i> 08-05-2009 08-05-2011 08-05-2011 08-05-2011 08-05-2012 08-05-2012 08-05-2010
7.8 Issued during quarter	None			
7.9 Exercised during quarter	None			
7.10 Expired during quarter	None			

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>	None	
7.12	Unsecured notes <i>(totals only)</i>	None	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 30 April 2009

Print name: Desmond Frederick Olling

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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