



ABN 24 119 737 772

22 March 2010

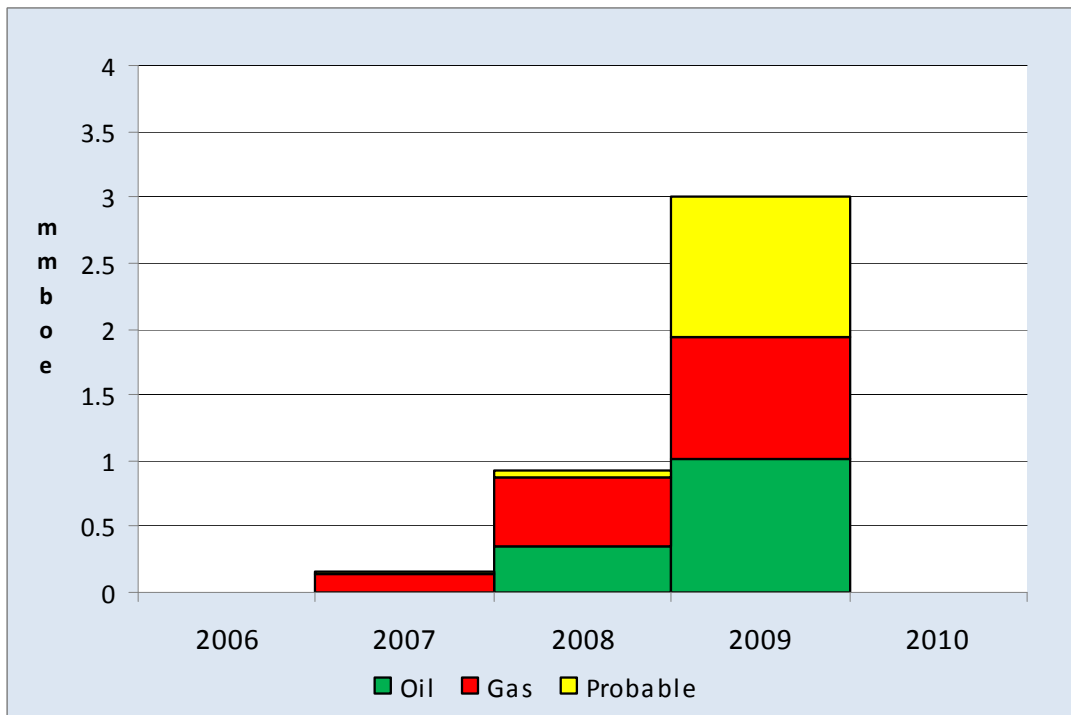
**TEXON'S PROVED AND PROBABLE RESERVES
INCREASE TO 3.0 MILLION BOE**

Texon's 2009 year end proved and probable reserves are respectively 1.9 mboe and 1.1 mboe – a total of 3.0 mboe as to the Company's current working interests*.

From mid year 2009, this is an increase of 40% and from year end 2008, the increase is 200%.

The increases in the Company's reserves over the past couple of years are set out on the following diagram:

Year End Proved and Probable Reserves net to Texon's WI*



Mmboe: million barrels of oil equivalent (including gas converted to oil equivalent barrels on basis of 6mcf to 1 barrel of oil equivalent).

Reserves at year end in 2007/08 have been restated to be in line with the Company's Working Interests in the relevant leases at those times.

* Overall Texon's beneficial interest (NRI) is 75% of the Working Interest.

Most of the Company's 2009 year end reserves are in the Leighton Field where there are five (5) producing wells, fifteen (15) Proved undeveloped well locations and eleven (11) Probable well locations.

The Company plans to drill the 6th Leighton well Tyler Ranch #5 (one of the above Proved undeveloped locations) immediately following the drilling of its MR#1 well which is expected to be completed in about 3 weeks.

Together with the Commonwealth Bank of Australia, we are investigating financing options to facilitate the drilling of the remaining twenty five (25) Proved and Probable well locations at Leighton – including the possibility of horizontal drilling which has the potential of higher productivity per investment dollar compared with vertical wells.

The 2009 year end reserves information was compiled by Delilah B Hainey of Hainey & Hainey, a reservoir consultant to the Company. HJ Gruy and Associates, Inc., Houston, Texas assisted in the reserves report by providing an independent audit of the proved and probable reserves of the Leighton oil and gas field which constitutes 97% of the Company's proved and probable reserves. Both Delilah B Hainey and HJ Gruy and Associates are qualified in accordance with ASX Listing Rule 5.11 and Delilah B Hainey has consented to the form and context of the reserves and HJ Gruy and Associates has consented to the inclusion of the audited Leighton reserves.

Please refer to Texon's website for other announcements: www.texonpetroleum.com.au

Oil and gas futures Prices (Source: NYMEX April 2010 contracts)

Oil: US\$ 81.07/bbl

Gas: US\$ 4.38/mmbtu (approx. US\$5.00/mcf for all Texon gas – including US\$6.00/mcf for Leighton Olmos gas)

-ENDS-

For further information, please contact:

Dr. John Armstrong

Chairman

Brisbane: 07 3211 1122

Or

Mr. David Mason

Chief Executive Officer

Brisbane: 07 3211 1122

Houston: +1 281 419 4976 (Houston is 15 hours behind Aust. Eastern Standard time)

Glossary:

bbl: barrel

mcf: thousand cubic feet

mmboe: million barrels of oil equivalent (including gas converted to oil equivalent barrels on basis of 6mcf to 1 barrel of oil equivalent)

mmbtu: million British thermal units

NRI: Net Revenue Interest

WI: Working Interest

Texon Petroleum Ltd

Level 9, 46 Edward Street, Brisbane, Qld 4000 Australia

Postal Address: GPO Box 402, Brisbane, Qld 4001

Telephone: +61 (07) 3211 1122 Fax: +61 (07) 3211 0133

www.texonpetroleum.com.au

For personal use only