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ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 17 JANUARY 2011

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## FIRST EAGLE FORD WELL – 30 DAY RESULT

Texon Petroleum Ltd (ASX: TXN) has advised that the first Eagle Ford well, Tyler Ranch EFS #1H, has produced 19,651 boe (17,814 bo and 22,052 mcfg) over 30 days on a restricted choke. This represents an average daily oil equivalent rate of 655 boepd (594 bopd and 735 mcfpgd).

Texon advise that at the current Henry Hub gas price of about US\$4.50/mmbtu, approximately US\$7.60/mcf is received for Eagle Ford gas due to its high heating value and including the value of the natural gas liquids.

Gas has been converted to barrels of oil equivalent (boe) on the basis of 12 mcf of gas to 1 boe. As a result each boe of gas has a sales value of some \$90/boe in line with the value of a barrel of oil. Thus all of the above 19,651 boe produced in the first month have the same sales value as barrels of oil.

Global has a 7.939% working interest in the well and a beneficial interest (NRI) in the production of 5.95% or some 39 boepd of the above production.

The Company's share of oil and gas being produced from the well is now part of Global's revenue stream.

Global has a 7.939% working interest in approximately 1,651 acres beneath the Olmos formation including the Eagle Ford Shale. Global's interest in the Leighton prospect also includes a 15% working interest in approximately 873 acres from the surface down to the stratigraphic equivalent of the Olmos formation. Global has an interest in 7 producing Olmos wells.

Oil and gas futures prices (Source NYMEX February 2011 contracts)

Oil: US\$91.54/bbl

Gas: US\$4.50/mmbtu (approximately US\$7.60/mcf for Olmos and Eagle Ford gas)

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**Glossary:**

bbl:	barrel
bo:	barrels of oil
boepd:	barrels of oil equivalent per day (including gas converted to oil equiv barrels on basis of 12 mcf to 1 barrel of oil equivalent)
bopd:	barrels of oil per day
mcf:	thousand cubic feet
mcfg:	thousand cubic feet of gas
mcfgpd:	thousand cubic feet of gas per day
mmbtu:	million British thermal units
NRI:	Net Revenue Interest