



Abilene CKU Operations Update

ACN 000 752 849

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Melanie Leydin

Securities on Issue:

73,223,295

About Abilene Oil and Gas Limited

Abilene Oil and Gas Limited is a Mid West USA focused production, development and exploration company. The company assets are located in Kansas. The company strategy is focused on building up oil production assets, increasing drilling locations and adding exploration acreage in the region. The company strategy is based on a combination of targeting high return projects and innovative funding while maintaining low overhead and corporate costs.

Abilene Oil and Gas Limited ('Abilene' or 'the Company') is pleased to of the next round of drilling in the Central Kansas Uplift ('CKU') Joint Venture Project. The operator, CMX, has advised that drilling operations have commenced on the first prospect, Homolka #1-35 in Barton County.

The program will consist of up to eight wells (subject to exercising of the second CKU option, which contains two wells within the eight well package).

The program is designed to achieve a number of goals.

1. continue the timely evaluation of the prospect inventory that the Joint venture has captured and matured with 3D seismic.
2. continue to build the project production profile by drilling low risk wells near discoveries made in the first round of drilling.
3. maintain an efficient production infrastructure. To this effect a Salt Water Disposal Well (SWDW) is to be drilled in the Woelk area to allow low cost and unrestricted capacity disposal of production water.

A summary of the program is shown in the table below. The drilling program is expected to be completed by the end of May. Abilene will continue to report on the drilling progress for each well as advised by the operator. It is noted that Abilene's interest in the joint venture Company, Lodestone Resources LLC, equates to 49% with the joint venture owning a 100% interest in the projects.

CKU Phase 2 Drilling

Option Area 1

| Well Name | Days | TD | Location | ABL WI Description |
|-------------------|------|------|----------------|------------------------------------|
| Homolka #1-35 | 8 | 3400 | Barton County | 15% Step out to exsiting discovery |
| Clafin#1-34 | 8 | 3400 | Barton County | 49% Step out to exsiting discovery |
| Steiner #1-25 | 8 | 3400 | Barton County | 49% New Field Wildcat (NFW) |
| Woelk #1-18 | 8 | 3400 | Russell County | 49% Step out to exsiting discovery |
| #1-20 Driscoll SW | 6 | 3600 | Russell County | 49% SWDW for Woelk area wells |
| Ames-Robl #1-19 | 8 | 3400 | Rice County | 49% NFW |

In addition, the last two wells are subject to Lodestone Resources LLC exercising its option over the second land package of approximately 5,000 acres. The following wells are planned to be drilled in late April/May 2015.

CKU Phase 2 Drilling

Option Area 2

| Well Name | Days | TD | Location | ABL WI Description |
|---------------|------|------|------------------|--------------------|
| Bushton #1-30 | 8 | 3400 | Ellsworth County | 49% NFW |
| Bushton #1-25 | 8 | 3400 | Ellsworth County | 49% NFW |

For further information or enquiries, please contact:

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Competent Person Statement Information – The geological information contained in this report have been compiled or reviewed by Mr Peter Best, Executive Director of ABL. Mr Best has over 33 years of experience in petroleum geophysics and geology and is a member of the American Association of Petroleum Geology. Mr Best consents to the inclusion of the information in this report relating to geological information in the form and context in which it appears.