

CKU Project Update

ACN 000 752 849

ASX Code: ABL

Level 4, 100 Albert Road
South Melbourne VIC 3205

Contact:

Phone: +61 (0)3 9692 7222

Fax: +61 (0)3 9077 9233

Board of Directors:

Paul Salter (Chairman)
Peter Best (Executive)
Craig Mathieson (Non-executive)
Mordechai Benedikt (Non-executive)

Company Secretaries:

Justin Mouchacca
Melanie Leydin

Securities on Issue:

366,116,475

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.

CKU Project: Claflin #1—34 (Frees) Well result

Abilene Oil and Gas Limited ('Abilene' or 'the Company') is pleased to advise that the second well in the current phase of Central Kansas Uplift Project ('CKU') drilling was successful and has been cased as a potential Arbuckle producer. Information in relation to the well are noted below.

Name: Claflin # 1-34 (Frees)

Type of well: Exploration

Location: Barton County, Kansas

Equity: 49%

Rock type: Dolomite

Depth of test: 3364-3388 feet

Type of test: open hole drill stem test

Duration flow period: 90 min

Recovery type: oil (45 API), gas

Recovery volume: 60 feet gassy oil; 180 feet gassy mud cut oil (57% oil, 17% gas, 27% mud).

The well has been completed as an Arbuckle producer. The well has been logged, production casing has been run, and the rig has been released. As is company policy production rates will be released after the well is completed, put on pump and after consistent production has been achieved in order to report an initial 30 day average production rate (IP30).

CKU Project: Woelk #1—18 drilling commences

The Company has been advised that the rig has moved to the next location. The Woelk #1-18 (Krug) well has started drilling.

For further information or enquiries, please contact:

Paul Salter
Non-executive Chairman
T: +61 (0)3 9692 7222

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 and member of the Society of Petroleum Engineers. 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.