

CKU Project: Drilling Update

ACN 000 752 849

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Company Secretaries:

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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.

Abilene Oil and Gas Limited ('Abilene' or 'the Company') announces that it has been advised by the joint venture operator of the Central Kansas Uplift Project ('CKU'), CMX Inc ('CMX'), that the Kozisek #1-8 well has been plugged and abandoned. The well, which is located in Ellsworth County, was drilled to a total depth of 3,400 feet. The target formation was encountered at favorable datum, well above the oil/water contact for the area, and we had good shows of oil, however, the reservoir rock did not have sufficient permeability as evidenced by drill stem tests and log evaluation. For this reason the decision was made to plug and abandon this test well.

Abilene has a 49% interest in the well and will provide further details of testing once received from the joint venture operator.

The details of the drill stem test over the Arbuckle zone are detailed below:

- a) **Name:** Kozisek #1-8
- a) **Type of well:** Exploration
- b) **Location:** Ellsworth County, Kansas
- c) **Equity:** 49%
- d) **Gross/net pay:** N/A
- e) **Rock type:** Dolomite
- f) **Depth of test:** 3306-3330 feet
- g) **Type of test:** drill stem tests
- g) **Hydrocarbon:** oil
- h) **Recovery volume:** 5' Very Slightly Oil Cut mud (1% Oil), Exhibited Low reservoir pressures
- i) **Choke/ flow rate:** the well did not flow to surface
- j) **Frac stimulation:** N/A
- k) **Other Gases:** none
- l) **Other info:** none

The operator has advised that the next well in the program is expected to commence drilling in the coming days. The well will be named the Susank B #1-5, with an estimated total depth of approximately 3400' feet and drilling time of 8 days and will commence in the coming week.

For further information or enquiries, please contact:

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Non-executive Chairman
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Competent Person Statement Information – The geological information contained in this report has been compiled or reviewed by Leah A. Kasten who is a full time employee of the Lodestone Resources LLC Operator, CMX, Inc., and has over 15 years of experience in petroleum geophysics and geology. She is a member of the State of Missouri Board of Registered Geologists, Kansas Geological Society Board of Directors, Kansas Geological Society, and American Association of Petroleum Geologists, and is a recognized expert witness for the Oklahoma Corporation Commission and the Kansas Corporation Commission. Leah A. Kasten consents to the inclusion of the information in this report relating to geological information in the form and context in which it appears.