



ASX Announcement

Date 16th March 2009

Offshore Texas Update

Prospect	Egret, Snipe and Sandpiper (post completion working interest 11.25%-Odin Energy Ltd earning 50% of this interest)
Well Type	Exploration, Oil and Gas
Location	Offshore Texas
Operator	Black Pool Energy, LP

The Company is pleased to announce that Egret will be completed as a discovery well. The well will now be cased and cemented and the Hercules 152 drill rig has now moved to Sandpiper, and will shortly commence drilling.

Originally the Sandpiper prospect was going to be drilled later in the calendar year. However with the significant decline in drilling rates and given the fact that the Hercules 152 rig is already mobilised, Black Pool Energy, LP (the operator) has decided to move forward on this now, and Kilgore concurs with this strategy. Sandpiper is an offset well to the Snipe discovery well, and production from Egret, Snipe and Sandpiper is anticipated to commence, from a common production platform, early third quarter of this calendar year. Snipe has already been successfully cased and cemented.

Following the drilling and anticipated completion of Sandpiper, an updated reserve statement will be released.

The technical information in this announcement has been provided by Brian Ayers, B.Geophs, MBA and Embry Canterbury, BSc (Petroleum Engineering), SPE. Mr Ayers has more than 28 years relevant experience in the US oil and gas industry as a geophysicist and exploration geologist, while Mr Canterbury has more than 12 years relevant experience in the practice of petroleum engineering and operations. Both Mr Ayers and Mr Canterbury consent to the inclusion in this announcement of the information in the form and context in which it appears.

Kilgore Oil & Gas LTD is an ASX listed company focused on identifying, acquiring and capturing high quality oil and gas exploration projects in the Gulf Coast area of the United States. It is our strategic objective to maximise returns on funds invested via drilling exploration targets with the highest level of technical support. Utilising the geological, engineering and transactional expertise of Kilgore's management and consultants, the company continues to build a portfolio of oil and gas exploration prospects that provide an exceptional balance of risk and reward.

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