



Ambassador Oil and Gas Pty Ltd

ASX / Media Release

## Ambassador to Commence Maiden Two Well Oil Exploration Program in Cooper Basin

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Release date: 31 May 2012

Ambassador Oil and Gas Limited (ASX: AQO) is pleased to announce the commencement of its maiden **back to back two well oil exploration program** in Cooper Basin, in South Australia.

Senex Energy Ltd advises the MB Century 3 drilling rig will mobilise in the week commencing 4 June to drill the Shocking 1 oil exploration well in the PEL 516 Shocking block, 65 km south-east of the Moomba processing facility. The well is scheduled to spud in the week commencing 11 June and is targeting conventional oil accumulations in the Murta, McKinlay, Mid-Namur, Basal Birkhead and Hutton formations, all well known oil producing horizons in the Cooper basin. The Shocking 1 well has an upside recoverable oil potential of 400,000 barrels if successful.

Ambassador, which floated in December 2011, is paying 100% of the cost of Shocking 1 – operated by Senex Energy – to earn a 60% interest in this block.

“Ambassador is delighted to start its exploration life by drilling in one of the most reliable oil producing regions on the Australian mainland,” commented Ambassador managing director, Mr Tino Guglielmo. “Our team has many years of experience in the Cooper and we are delighted to be partnering with such an experienced operator as Senex in our first well.”

Following the completion of Shocking 1, the Century 3 rig will move to drill the Kruger 1 oil exploration well in the PEL 516 (Mudlalee block). The Kruger 1 well has a recoverable oil potential of some 380,000 barrels if successful.



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### **Farm-in to PEL 516 Shocking Block**

Ambassador has reached agreement to farm into the PEL 516 Shocking Block and will earn a 60% interest in the block from Senex Energy by drilling the Shocking oil exploration well.

Shocking is a highly prospective oil target adjacent Senex Energy's recent Vintage Crop oil discovery and the Caroowinnie and Narcoonowie oil fields operated by Santos.

The Shocking prospect has mean unrisked oil resource potential in excess of 250,000 barrels from the Mckinlay and the Basal Birkhead formations with a high side potential of 400,000 barrels. The well has additional oil potential from the Murta, Mid Namur and Hutton formations

### **Option to Farm-in to PEL 516 Rowley Block Retained**

Ambassador previously agreed to farm in to the PEL 516 Rowley block but the Rowley location is inaccessible due to extended flooding from local rain events. Ambassador retains an option, at its sole discretion, to earn a 60% interest in the Rowley block by funding the drilling of the Rowley 1 oil exploration well within the next 12 months.

The relevant interest in the PEL 516 Mudlalee and Shocking blocks are:

|                                |     |
|--------------------------------|-----|
| Ambassador Oil & Gas (earning) | 60% |
| Senex Energy (Operator)        | 40% |

Tino Guglielmo  
*Managing Director*

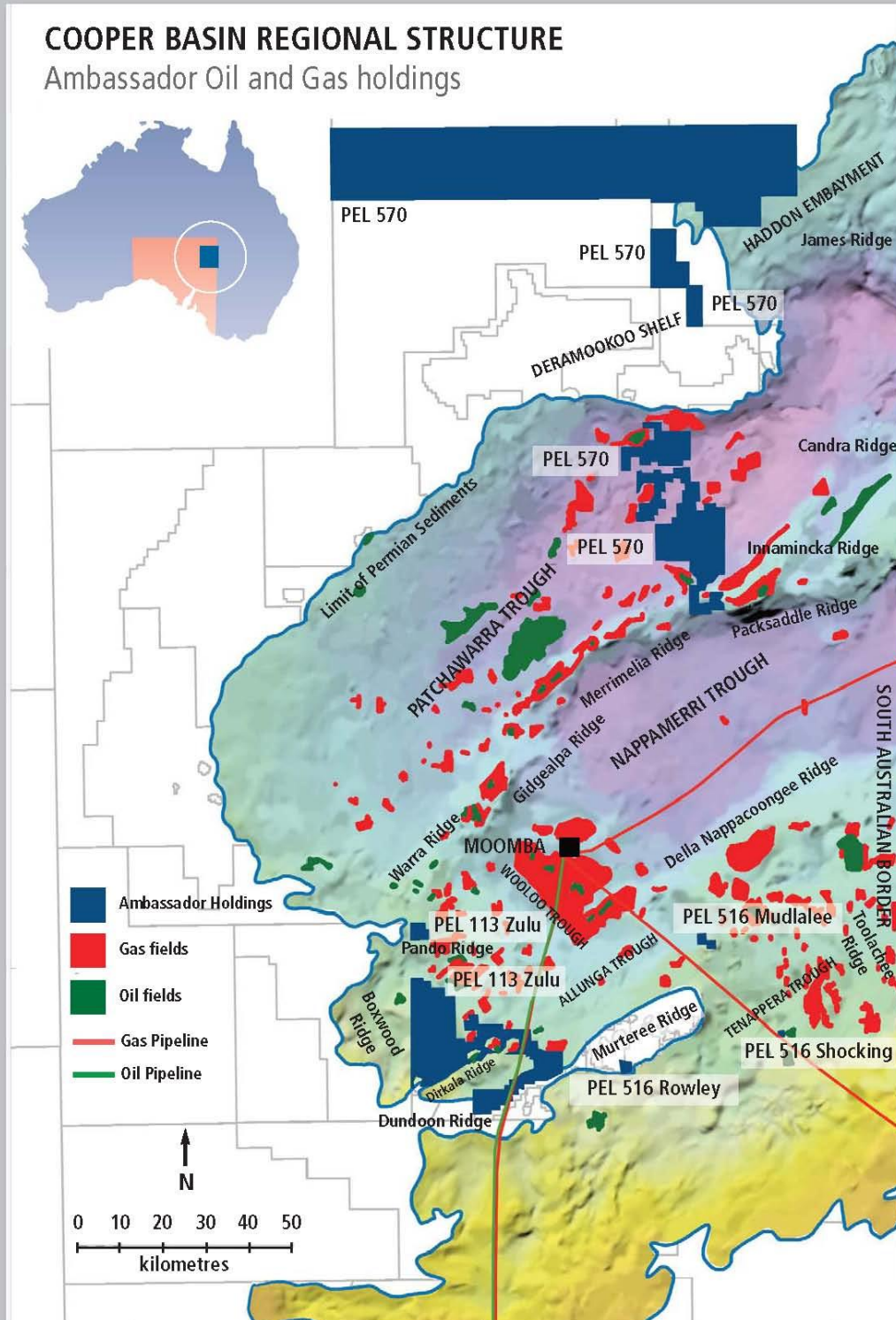
Attachments:

Map - Ambassador Oil & Gas Cooper basin holdings  
Map – Shocking McKinlay depth structure



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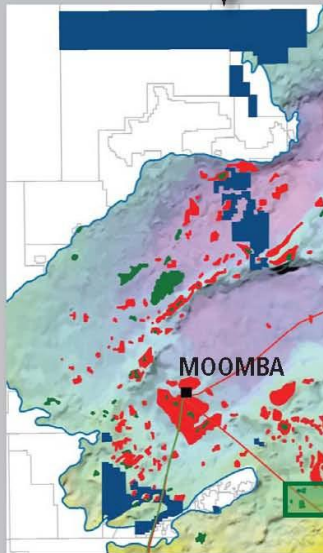
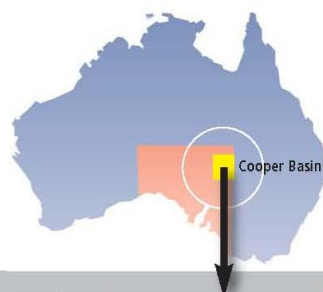
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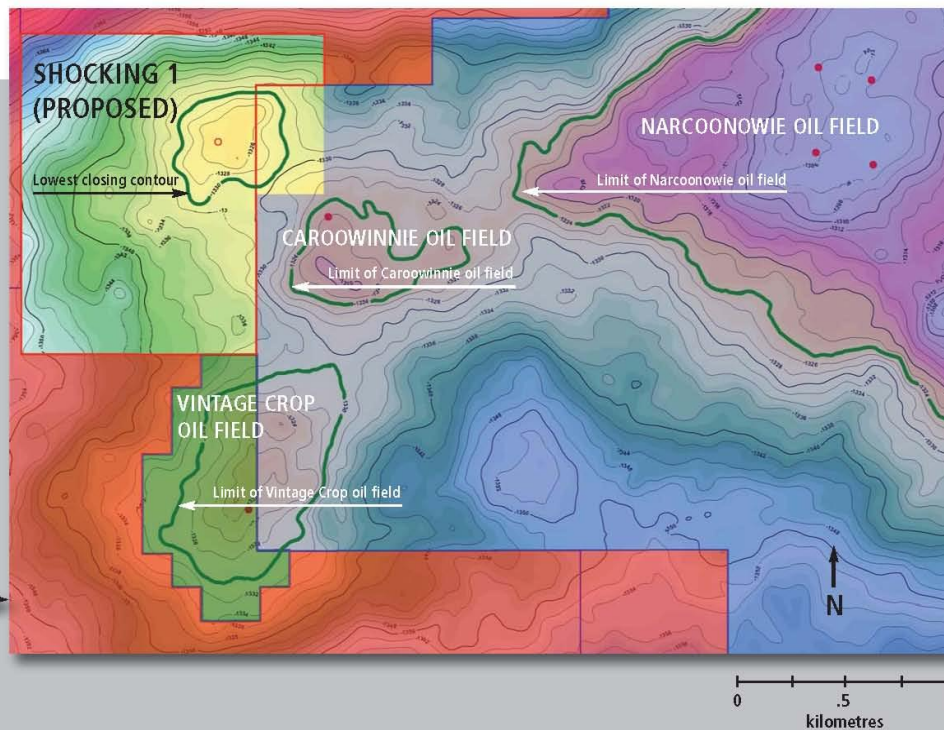
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### SHOCKING PROSPECT McKinlay Member Depth Structure



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