Ambassador Oil and Gas Pty Ltd

ASX / Media Release

Shocking 1 Oil exploration well started

Release date: 25 June, 2012

Drilling of Ambassador Oil and Gas Limited's (ASX: AQO) Shocking 1 oil exploration well in permit PEL 516 of the South Australian part of the Cooper basin has started.

Shocking 1, which has potential for more than 250,000 barrels of recoverable oil, is the first of two consecutive wells to be drilled in Ambassador's first ever exploration drilling program.

The Shocking structure is mapped as having an upside recoverable oil potential in excess of 500,000 barrels from the Murta, McKinlay and basal Birkhead/Hutton formations, all well known oil producing horizons in the Cooper basin.

The Shocking 1 well is just 65 km south-east of the Moomba oil and gas processing facility and is only 1.8 km north of the Vintage Crop oil field, currently in production. If successful and subject to appropriate commercial arrangements, the Shocking well can be efficiently linked to this facility with the oil produced and trucked to market.

Shocking 1 is being drilled by the Century 3 drilling rig with the well expected to take 14 days to reach planned total depth of 1700 metres. After Shocking 1, the Kruger 1 oil exploration well will be drilled in PEL 516. The Kruger 1 well has a recoverable oil potential of 380,000 barrels if successful.

Shocking 1 is the most north-westerly sub-culmination on the large Narcoonowie Horst and is expected to have multiple oil reservoirs similar to neighbouring, commercial, oil discoveries.

Vintage Crop 1, also located on the Narcoonowie Horst, was drilled in May/June 2011 and discovered oil in the McKinlay member of the Murta formation. It was subsequently completed as an oil well and is currently producing from the McKinlay. This result enhances the prospectivity of the Shocking prospect.

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Shocking 1 Oil exploration well	
Shocking 1 spudded at 08:00 hrs on the 25 June 2012. The rig is currently drilling 12 ¼" surface hole to approximately 600 metres prior to running 9 5/8" surface casing.	
Location:	PEL 516 Shocking Block
Planned Total Depth:	1700 metres
Current depth:	15 metres
Operation:	Running 9 5/8" surface casing
Participants in the Shocking 1 well are:	
Ambassador Oil & Gas (ASX:AQO) (earning)	60%
Senex Energy (Operator) (ASX:SXY)	40%

Tino Guglielmo
Managing Director

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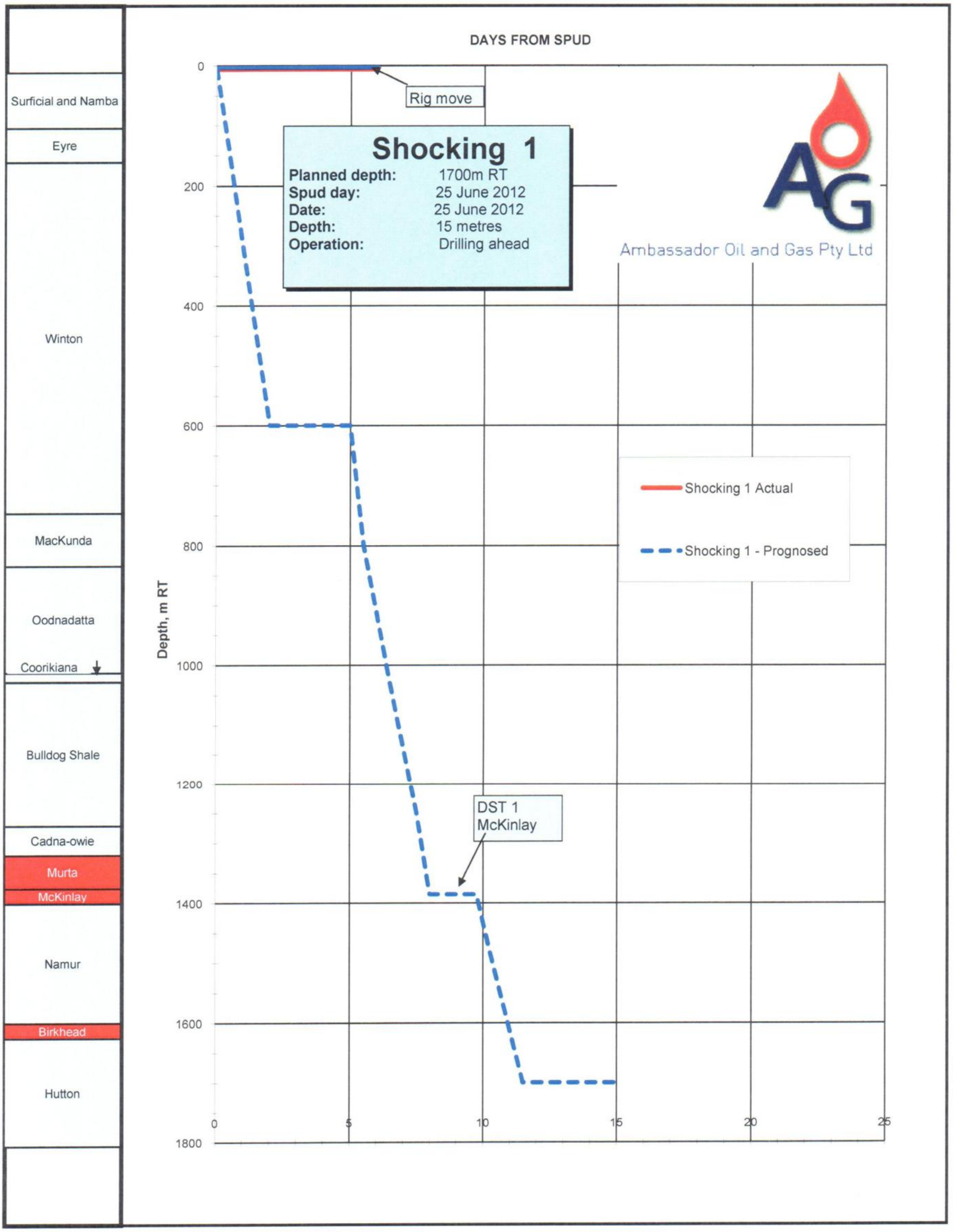
About Ambassador

Ambassador Oil & Gas Ltd has portfolio of oil and gas exploration targets in the South Australian sector of the Cooper/Eromanga basin containing a mix of low to medium risk conventional oil and gas and unconventional coal and shale gas targets.

Ambassador owns 100% of PEL 570 in the South Australian Cooper basin and has negotiated a Farm-In agreement with ASX listed Senex Energy Ltd giving Ambassador the right to earn a 50% interest in the Zulu block of PEL 113 and a 60% interest in the Rowley and Mudlalee blocks within the PEL 516.

The Cooper basin is linked to the east coast gas market by an existing gas pipeline network providing Cooper basin gas with direct access to Queensland Liquefied Natural Gas projects near Gladstone currently under construction.

The unconventional coal and shale gas potential in PEL 570 will give AQO shareholders access to a new source of natural gas and gas liquids.


DAYS FROM SPUD
Rig move
Shocking 1
Planned depth: 1700m RT
Spud day: 25 June 2012
Date: 25 June 2012
Depth: 15 metres
Operation: Drilling ahead
Ambassador Oil and Gas Pty Ltd
Shocking 1 Actual
Shocking 1 - Prognosed
Depth, m RT
DST 1
McKinlay
Surficial and Namba
Eyre
Winton
MacKunda
Oodnadatta
Coorikiana
Bulldog Shale
Cadna-owie
Murta
McKinlay
Namur
Birkhead
Hutton
0
200
400
600
800
1000
1200
1400
1600
1800
0
5
10
15
20
25