



Ambassador Oil and Gas Pty Ltd

ASX / Media Release

Shocking 1 – Final drilling report

Release date: 12 July 2012

The operator, Senex Energy has advised that the Century 3 drilling rig is preparing to plug and abandon the Shocking 1 exploration well after recovering formation water with traces of oil from a drill stem test of the McKinlay Member of the Murta Formation.

The rig will now move to drill the Kruger 1 exploration well.

Kruger 1, in permit PEL 516 in South Australia's Cooper basin, is the second well in Ambassador Oil and Gas Limited (ASX:AQO) first ever exploration drilling campaign. The Kruger 1 well has a mean recoverable oil potential of 380,000 barrels from the prolific basal Birkhead Formation.

Ambassador is earning a 60% interest in the PEL 516 Mudlalee and Shocking blocks by funding the drilling of the Kruger and Shocking exploration wells.

Participants in the Kruger and Shocking prospects are:

Ambassador Oil & Gas (ASX:AQO) earning	60%
Senex Energy (Operator)	40%

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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 Shocking, 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.

Cooper Basin exploration permit PEL570, located in the northern end of the Patchawarra trough, covers an area of 2400 square kilometers and is considered prospective for unconventional shale and coal gas. The permit is close to infrastructure and remains a key target for unconventional gas exploration.

COOPER BASIN REGIONAL STRUCTURE

Ambassador Oil and Gas holdings

