



Ambassador Oil and Gas Pty Ltd

ASX / Media Release

KRUGER 1 – FINAL DRILLING REPORT

Release date: 6 August 2012

Ambassador Oil and Gas Limited's (ASX: AQO) Kruger 1 oil exploration reached a total depth of 1675 metres. The well encountered oil shows over a 7 metre section in the basal Birkhead/Hutton, the target horizon.

A Drill Stem Test run over the basal Birkhead interval failed to recover hydrocarbons. The drilling rig is preparing to plug and abandon the well.

Ambassador is funding 100% of the drilling of the Kruger 1 well, operated by Senex Energy Ltd (ASX:SXY), to earn a 60% interest in the PEL 516 Mudlalee block in the South Australian portion of the Cooper basin.

Participants in the Kruger 1 well are:	
Ambassador Oil & Gas (ASX:AQO) (earning)	60%
Senex Energy (Operator) (ASX:SXY)	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 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.



KRUGER PROSPECT

Basal Birkhead Depth Structure



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