

WORLD OIL EXPANDS ACREAGE & UNDERTAKES ADDITIONAL DRILLING PROGRAM

ASX Announcement

(ASX: WLR)

18 November 2013

DRILLING & EXPLORATION PROGRAM

Klick Field The Company (together with its joint venture partner CMX) plans to fund the capital expenditure required to purchase certain equipment and machinery which it is hoped will increase oil production volumes at the Klick Oil Field and consequently expedite revenues from this project. It is expected that the Company's share of this expenditure will not exceed \$50,000.

Welch Bornholdt – Wherry Field Subject to completing the capital raising the Company (together with its joint venture partner CMX) plans to:

1. Drill a new vertical well, to be known as **#1-1 Krehbiel Trust**. CMX has identified this site as being prospective as an adjacent well has made 160,000 boe. CMX hopes to be able to drill a vertical well that has a similar performance to the adjacent well. The Company expects that the total cost to drill and complete this well will be circa \$900,000, with the Company's share being 50% of the final amount. It is hoped that this well will provide the Company with:
 - (a) the opportunity to add another producing well to the Company's portfolio;and
 - (b) further data in respect of the Welch Bornholdt Wherry Field upon which it may conduct an expanded horizontal well drilling program.
2. Rework an old well on the field. **#1-1 Johnston** which is located on the Welch-Bornholdt Wherry field. The Company's capital exposure to this re-working is not expected to exceed \$50,000, but it is hoped that the Company may be able to bring on another producing well.

NEW ACREAGE – MOUNT LOOKOUT PROSPECT

Background

The Company has entered into an agreement with CMX to participate in a new exploration target. In consideration of \$US415,000, the Company shall receive a 50% net working interest in leases covering approximately 1,200 acres of the Morrison Oil Fields. In addition to receiving an interest in the acreage this payment shall also cover the Company's share of 3D seismic study that is planned for the field.

The Mount Lookout Prospect is a 3D play located in Clark County, Kansas, targeting oil deposits from the Ordovician aged Viola limestone & dolomites as defined by local regional production from these reservoirs. The prospect is situated within the confines of the Anadarko Basin Province. The Province is a major oil and gas producing area and is bounded to the west by the Cimarron & Las Animas Arches, to the north by the Central Kansas Uplift, to the east by the Pratt Anticline and the Nemaha Ridge and to the south by the Wichita-Amarillo Uplift. The basin is highly petroleum rich and produces oil and gas from rocks ranging from Permian through the Cambrian in Age.

The Mount Lookout Prospect consists of 1,200 acres and is located within the boundary of the Morrison Field (Morrison, Morrison East, and Morrison NW and Mount Lookout pools). The Morrison Field is oil and gas productive from the Viola limestone and Viola dolomite found at an approximate depth of 6500 ft. As of March of 2013, the Morrison play has produced 1,072 million barrels of oil and 1.3 BCFG.

Wells recently drilled by Coral Coast and Murfin Drilling (Wichita-based Independents) have resulted in initial completions (IP) ranging from 150 to 550 BOPD.

The primary objective of the Mount Lookout Prospect is to extend and establish new production from the Viola dolomite.

Operator

CMX is the operator of the project.

Joint Venture Partner

CMX

Working Interest

Under the joint venture arrangement with CMX, each of CMX and World Oil has a 50% net working interest in leases covering approximately 1,200 acres of the Morrison Oil Fields.

Drilling or production status

3D seismic, which the Company expects to get the results for prior to the end of the calendar year and then with our joint venture partner determine the most appropriate drilling program for the coming calendar year.

NEW ACREAGE – OPTION OVER PUMA PROSPECT

Background The Company has entered into an option agreement with CMX to participate in a new exploration target. In consideration of \$US1, the Company has the right to acquire a 50% net working interest in leases covering approximately 3,000 acres in McPherson County, Kansas.

The terms of the option are that in consideration for a payment to CMX of \$212,500 the Company shall receive 50% net working interest in leases covering approximately 3,000 acres in McPherson County, Kansas. In addition to receiving an interest in the acreage this payment shall also cover the Company's share of 3D seismic study that is planned for the field. The Company must exercise this option prior to April 1, 2014, after which the option will expire.

The Puma Prospect is an exploratory project located in McPherson County, Kansas and is a 3,000 acre 3D play targeting oil deposits from the Maquoketa Dolomite, Viola Dolomite, and Simpson Sand. The prospect is located on the northern edge of a rich and mature oil producing province, known as the Sedgwick Basin. Major structural elements include the Lindsborg Anticline, Oshell Anticline, Olis Graben, and Crawford Fault. Localized structural elements have been identified by CMX, including a Horst-like feature trending to the southeast that is projected across the Puma acreage block.

These three zones have prolific production histories north of the acreage block, producing more than 15.9 million barrels of oil from the Lindsborg field alone. Many of the wells drilled in the regional area were open-hole completed and did not have well log surveys. This, along with the unavailability of other essential historical data has proven a challenge to continued exploration and development activities in the area. Should the Company exercise this option, 3D seismic surveys and modern well log data can significantly lower the risk involved in exploring this field.

Operator CMX is the operator of the project.

Joint Venture Partner CMX

Working Interest Under the joint venture arrangement with CMX, each of CMX and World Oil has a 50% net working interest in leases covering approximately 3,000 acres of the Morrison Oil Fields.

Drilling or production status The Company expects to after it exercises the option that the operator will undertake the 3D seismic, after which the Company & CMX will access the results to determine the most appropriate drilling program for the coming year.

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