

WELCH-BORNHOLDT WHERRY PROJECT TO COMMENCE PRODUCTION

ASX Announcement

(ASX: WLR)

16 July 2014

World Oil Resources Limited ('World Oil' or 'the Company') advises that its joint venture partner has advised that the #1-1 Krehbiel Trust well has been completed and put into production.

The operator has installed a surface pumping unit and a production tank battery. The well was completed using a small acid treatment to improve potential production performance. The disposal of associated salt water will occur into a third party salt water disposal well located on adjacent acreage.

The operator has reported initial production rates ("IP") of 250 total barrels of fluid per day ("TBFPD") with an average of 20% oil cut. This indicates initial gross oil production rates of 50 bopd. This is a preliminary rate and a longer production history is required to confirm what the stable rate will be and also to confirm the resource size and economic potential of this well. The better indicator of long term potential is the average production rate over 30 days ("IP30") which will be reported as it becomes available.

At the same time, given the encouraging results to date for this well, the joint venture is undertaking a technical evaluation of the surrounding acreage in order to define potential areas of interest and future possible drill locations. Any further work in this area is of course dependant on the final results from the extended production evaluation at #1-1 Krehbiel Trust well.

WELCH-BORNHOLDT WHERRY PROJECT

- Welch-Bornholdt Wherry Oil Fields
- Rice and McPherson Counties, Kansas USA (WLR 50% WI)

OVERVIEW

Location and Description

The Welch-Bornholdt and Wherry Oil Fields are located in Rice and McPherson Counties, Kansas, United States, approximately 140 miles from the Klick East Oil Field in Oklahoma.

The Welch-Bornholdt and Wherry Oil Fields are mature, developed and mostly abandoned crude oil accumulation. Approximately 1,400 vertical wells have been drilled over more than 60 years on the fields, and aggregate production totals 46 million barrels of mainly high quality sweet crude oil.

World Oil and its joint venture partner CMX have established a large 15,000 acre position in the Welch-Bornholdt and Wherry Oil Fields. This acreage covers a significant contingent resource, mainly in the Mississippian age cherty carbonate rock formation that is up to 10 metres thick across the area. World Oil and CMX (also joint venture partners for the Klick Project) produce from this Mississippian formation at the Klick Project.

The Welch-Bornholdt and Wherry Oil Fields are uniquely positioned, and benefit from having a refinery at the city of McPherson approximately 30 kilometres by road, which is serviced by trucks and pipelines.

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 15,000 acres of the Welch-Bornholdt and Wherry Oil Fields.
Well	The well is a vertical well to assess oil production potential in this area of the project.
Drilling or production status	Production due to commence at #1-1 Krehbiel Trust well.
Exploration/ Development	Following the drilling of the vertical well, known as #1-1 Krehbiel Trust well , the Company with its joint venture partner will look at similar vertical locations if commercial oil production can be established with the initial well.

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