



**KALGOORLIE-BOULDER
RESOURCES LTD**
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HYDROCARBON SHOWS IN THE WILSON #3-10

The Directors of Kalgoorlie-Boulder Resources Limited are pleased to announce that the Wilson #3-10 which was spudded on March 03, 2006 reached total depth of approximately 3,200 feet on March 12, 2006.

Microscopic and black light viewing of drill cuttings, readings from gas detection equipment, and analysis of the open hole electric logs indicated several hydrocarbon bearing formations present in the well bore.

The following zones, listed in ascending stratigraphic order, appear to be hydrocarbon bearing:

- 1) Woodford Shale (3070-3111 feet) unconventional gas shale had a maximum "gas kick" of 560-units, with heavy bleeding gas and strong odour.
- 2) Mississippian Caney Shale (2739-2834 feet) unconventional gas shale had a maximum "gas kick" of 1540-units, very heavy bleeding gas and very strong odour.
- 3) Cromwell Sandstone (2541-2546 feet) a locally producing oil and gas zone had a slight visible hydrocarbon shows in the drill cuttings with a maximum "gas kick" of 49-units, a second Cromwell interval (2500-2510 feet) had a maximum "gas kick" of 65-units with a slight visible hydrocarbon show.
- 4) Union Valley Limestone (2402-2410 feet), a locally producing oil and gas zone, had a slight oil show with a maximum "gas kick" of 80-units.
- 5) Booch Sandstone (1840-1850 feet) a locally producing oil and gas zone indicated a strong show in the drill cuttings with a "gas kick" of 219-units.
- 6) Red Fork Sandstone (1100-1111 feet) a locally producing oil and gas zone, did not indicate a show in the drill cuttings, however had a "gas kick" of 110-units.
- 7) Senora Sandstone (728-733 and 747-760 feet) a locally producing gas zone, indicated a maximum "gas kick" of 120-units.

In view of these results hydrocarbon production casing has been be set and cemented to a depth of 3,193.5 feet.

Completion in the Wilson #3-10 will begin in approximately two weeks. The initial zone to be tested will be the primary objective, the Wilcox Sandstone, which was not penetrated by the drill bit during drilling. The top of the Wilcox is about three to five feet more in depth than the current total depth of the well. This zone will be penetrated by drilling in with the cable tools.

Electric logs run on the well include the normal suite of Compensated Neutron Litho-Density, Array Induction, and Micro Resistivity, along with a series of specialty logs including an Elemental Capture (ECS), Formation Micro Imager (FMI) and Dipole Sonic. In addition, forty-one rotary sidewall cores were taken from various intervals in the Woodford and Mississippian Caney shales. Analysis of the specialty logs and sidewall cores will take approximately six weeks.

Upon receipt of the analysis of the logs and cores, an estimate as to recoverable oil and gas reserves based on volumetric analysis for the conventional oil and gas zones, and based on estimated standard cubic feet of gas content per ton for the unconventional zones will be completed.

Drilling of the Wilson #3-10 is the first phase of the current drilling and re-working program.

Should you have any queries regarding this announcement or any aspect of the company's development please contact the undersigned.

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