



ZNR - tsx.v

Zone Resources Inc.

Suite 430-609 Granville Street
Vancouver, BC, Canada V7Y 1G5
Phone 604-683-5445
Facsimile 604-687-9631
info@zone-resources.com
www.zone-resources.com
TSX-Venture: ZNR

Zone Resources Inc. To Develop Past Producing Oil and Shale Natural Gas Projects

December 23, 2009: Zone Resources Inc. (TSX-V: ZNR) (Zone) has entered into an agreement with Consolidated Oil and Gas Corp. (COGC) of Barbourville, Kentucky to find, evaluate and develop past producing oil and shale natural gas projects. These projects are considered to have a lower than average industry risk and have the ability to build a stable, predictable and long lasting revenue stream. This objective can be achieved in two ways: (1) drilling shale natural gas wells in the Appalachian Basin in eastern Kentucky and by (2) acquiring abandoned oil wells or under-developed assets for the purpose of rehabilitation.

Currently, for our business model, the best profit margins are in crude oil production and the rehabilitation of underdeveloped assets. These projects remain profitable as long as crude oil remains above \$25 per barrel. COGC has determined that there are several hundred abandoned wells, in the planned area of operation that can be evaluated for the potential of rehabilitation. There are also several hundred more wells that were previously plugged by other operators that can be re-opened for the purpose of rehabilitation.

The majority of costs and risks in a project of this nature have already been born by the previous operator in the drilling of the original well bore. Many abandoned wells and plugged leaseholds still have existing equipment and gathering infrastructure, which will reduce some of the development costs. Each well evaluated for rehabilitation requires different cost allocations based on many factors such as the depth of the well, type of geological formation, and topographical conditions, the average cost per well rehabilitation is \$25,000 - \$50,000 (USD).

The cost allocations are typically based on an expectation of a 100% return of investment (ROI) within 6 months to 1 year. The production target is to achieve up to 20 barrels of oil per day (bopd) from each well rehabilitated. As with all ventures in the energy sector, projects of this nature involve risk and there is always the possibility of irreversible loss. In order to mitigate some of this risk, COGC will try to diversify the wells for rehabilitation in different oil fields and geological regions.

Private Placement

Zone has arranged a non-brokered private placement of up to 3,000,000 units at a price of \$0.20 per unit for total proceeds of up to \$600,000 subject to the approval of the TSX Venture Exchange.

The 3,000,000 units will be issued as non flow-through units consisting of one common share and one full warrant. One full warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.25 per share for the first year, and \$0.30 per share in the second year.

The proceeds of the private placement will be used for exploration work on the Company's properties, general working capital, and to pay back a portion of the loan received from North American Gem Inc., of which \$200,000 (CND) has been paid.

About Zone Resource Inc.

Zone Resources Inc. is in the business of evaluating and acquiring oil and natural gas properties for exploration and development. The Company's shares trade on the TSX Venture Exchange under the symbol ZNR.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary note:

This report contains forward looking statements. Resource estimates, unless specifically noted, are considered speculative. Any and all other resource or reserve estimates are historical in nature, and should not be relied upon. By their nature, forward looking statements involve risk and uncertainties because they relate to events and depend on factors that will or may occur in the future. Actual results may vary depending upon exploration activities, industry production, commodity demand and pricing, currency exchange rates, and, but not limited to, general economic factors. Cautionary Note to US investors: The U.S. Securities and Exchange Commission specifically prohibits the use of certain terms, such as "reserves" unless such figures are based upon actual production or formation tests and can be shown to be economically and legally producible under existing economic and operating conditions.

FOR FURTHER INFORMATION ABOUT THE COMPANY, PLEASE CONTACT:

Zone Resources Inc.

Vancouver Office

Archie Boyce, Director

Email: archie@zone-resources.com

Telephone: (604) 683 5445 ext 227