
Zone Resources Inc. Begins Rehabilitation of its First Past Producing Oil Well and Prepares to Drill a New Target to 1,900 Feet

June 10, 2010: Zone Resources Inc. (TSX-V: ZNR) (Zone) has commenced the process of rehabilitating its first past producing oil well. This particular well is located on the Alpine Topographic Quadrangle in Overton County, Tennessee. The property was originally drilled in the 1980's and contains an existing well bore that was originally reported as a 40 barrel per day oil well in the Stones River Formation. The well was abandoned almost 10 years ago and since that time there have been several significant discoveries in close proximity. In addition, technology has advanced significantly to allow for economically feasible testing and re-entry.

The well will be deepened approximately 1,000 ft to fully explore the potential of all known productive horizons in the area. After deepening, the well will be electronically logged to identify the specific entry points of crude oil within the well bore. If deemed necessary, these entry points will be treated with hydrochloric acids to enhance porosity and production. The well will be equipped with pumping equipment and infrastructure will be installed to gather and store the crude oil produced from the well.

The service rig was able to send the bailing tool to a depth of 750 ft. There did not seem to be any "up hole" obstructions that would prevent Zone from re-entering the existing well bore, drill out the production plug and then proceed to further test lower depths for the presence of crude oil. Mr. Jeff Patton, Inspector, representing the TN Oil and Gas Board was on site to observe the proceedings. During the initial process crude oil was successfully brought to the surface.

In addition, Zone intends to drill a new target 400 feet to the east of the rehabilitation project using the services of the Tennessee Rotary Drill Company IA. This new target will test all known target depths in this area and will be drilled to a depth of 1,900 feet.

The size of the leasehold will allow for the drilling of up to 4 new wells, in addition to the well that Zone is attempting to rehabilitate.

General Project Overview

In December 2009, Zone formed an alliance with Consolidated Oil and Gas Corp. (COGC) of Barbourville, Kentucky to find, evaluate and develop past producing oil and shale natural gas projects. Since then COGC has acquired data bases from the Tennessee Oil and Gas Board to research the potential of identifying and acquiring abandoned oil and gas wells, as well as, exploiting other underdeveloped leases. Upon initial review of the data bases and numerous field inspections, COGC has identified numerous abandoned wells that it believes has potential for re-entry and rehabilitation.

These re-entry 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 and by (2) acquiring abandoned oil wells or under-developed assets for the purpose of rehabilitation.

Currently, for Zone's 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 numerous abandoned wells, in the planned area of operation that it believes has potential for re-entry and 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 borne by the previous operator in the drilling of the original well bore. Many abandoned wells and plugged leaseholds still have existing equipment and 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, Zone will try to diversify the wells for rehabilitation in different oil fields and geological regions.

About Zone Resources 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.

FOR FURTHER INFORMATION ABOUT THE COMPANY, PLEASE CONTACT:

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