



CORPORATE FACT SHEET

Developing Onshore Oil and Gas Reserves in Mississippi

KFG Resources Ltd. (TSX.V-KFG) is an independent North American company engaged in the development of onshore oil and gas reserves with activities concentrated in Mississippi, Louisiana and Kansas. KFG is currently concentrating its efforts on the Fayette Field, Jefferson County in Mississippi where it has made a new field discovery. The Fayette Field was discovered by Humble Oil in 1945 and acquired by KFG in 2002. The Company has a gas prospect in southwest Kansas that should be tested before the end of calendar 2010. The Company's primary oil reserves are at Spring Hill, Fayette Field, Jefferson County, Mississippi, and the Dale lease in Concordia Parish, Louisiana. KFG has an extensive geological library and the Company is actively developing its own projects, as well as looking to participate in projects with other oil companies.



Highlights:

- 3D seismic survey completed, which has identified potential from 5 shallow oil/gas zones (40 BOPD per well projected) and 2 deep zones (150 BOPD per well projected).
- Potential reserves on the lease estimated at 5 million barrels.
- Land lease in place.
- Currently producing 135 BOPD.
- Proven plus probable reserves of 220,000 barrels so far on the Springhill feature – it is still open to the south, southwest and southeast. Net Present Value (10%) of these 2P reserves calculated at \$7.1 million.

QUICK FACTS:

Oil & Gas Areas of Interest:
Mississippi, Louisiana, and Kansas

CORPORATE INFO:

KFG Resources Ltd.
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President
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DEVELOPMENT TO DATE:

3D SEISMIC COST	\$1,129,000
5 WELLS DRILLED	\$ 900,000
OF THESE WELLS, 4 WELLS COMPLETED	\$ 700,000
OF THESE WELLS 1 WELL COMPLETED AS A WATER DISPOSAL WELL	\$ 150,000
TOTAL	\$2,879,000
CURRENT CASH ON HAND	\$ 50,000
CURRENT FREE CASH FLOW (135 BOPD) AFTER ALL EXPENSES	\$140,000/Mo.

PROPERTY LOCATION:



*The Fayette Salt Structure, Jefferson County, Mississippi



The Fayette Salt Structure, Mississippi

HIGHLIGHTS:

Exchange/Symbol:	TSX.V:KFG
Price (Aug. 3, 2010)	\$0.05
52 Week Hi/Low:	\$0.18/\$0.02
Shares Outstanding:	50 Million
Fully Diluted:	63 Million
Market Capitalization:	\$2.5 Million
Insider Ownership:	10%

MANAGEMENT TEAM

ROBERT A. KADANE President & CEO

Mr. Kadane has over 40 years of exploration and production experience predominantly in the southern U.S. Mr. Kadane started his own company in the 1970's, which he successfully built and sold. That company, Prime Energy, is currently listed on the NASDAQ under the symbol PNRG.

STEPHEN GUIDO Vice-President, Operations

Mr. Guido has over 30 years of construction and field work in the oil and gas business. Mr. Guido owns a drilling rig that is available to KFG.

DAVE EASOM Consulting Geologist

Mr. Eason has over 30 years experience as a geologist and operator. He has worked in and around Natchez since the late 1970's. Mr. Eason has had a long term relationship with KFG.

THE FAYETTE SALT STRUCTURE (Jefferson County, Mississippi)

The Fayette Field is a Salt feature which encompasses approximately 3,800 acres. It is located in Jefferson County, Mississippi, six miles northwest of the town of Fayette and 21 miles northeast of the city of Natchez.

The Fayette structure is a large anticline. It has production from the shallow Wilcox formation and the deeper Tuscaloosa formation. Humble Oil developed a small section of the field in the southeast quadrant and produced 2.2 million barrels of oil and 7.9 bcf of gas from 13 wells. The best single well produced over 600,000 barrels of oil.

KFG commissioned a 3D seismic survey in the last half of 2008. The survey revealed 5 shallow Wilcox highs and 2 deep Tuscaloosa highs. It was decided to test 2 of the 5 shallow Wilcox beds first as they are less expensive to test.

Drilling started in May 2009. Two dry holes and one new oil field discovery resulted. The Springhill #1 encountered 3 pay zones. It was completed and began producing 40 BOPD from the upper lobe of the Stewart formation in August 2009. A north offset was drilled in September 2009 at Spring Hill which resulted in a dry hole that was converted to a salt water disposal well. The Spring Hill #2, an east offset to the #1, was completed in November 2009 in the 4,600-foot Sand and began producing at 20 BOPD.

In March 2010, the Company's Spring Hill #5 was drilled as a south offset to the #1 well, and encountered all 3 oil zones as are in the Springhill #1. The Spring Hill #5 well was initially completed in the 4,600-foot Sand and perforations were added in May 2010 in the Stewart "A" Sand. In September 2010 a southwest offset to the #1 well, the Spring hill #6 was drilled and completed in the 4600-foot sand for 30 BOPD. The Stewart A sand is behind pipe in this well. Stabilized production net to KFG from all four Spring Hill wells is currently 135 BOPD.

As can be seen from current geological mapping, the Company feels the Springhill Wilcox oil feature is only partially developed as of August 2010.

The 2 deep areas of interest in the Tuscaloosa on the north flank of the salt feature remain to be tested as well as 2 of the shallow Wilcox features as revealed by the seismic survey.

KFG farmed in all remaining interests at Fayette and owns 100% of the working interest (79.1% net). At payout of all costs: seismic, acreage, drilling, completion taxes and operations, currently \$1,803,000 (U.S.), KFG's working interest will revert to a 74.9% working interest (59.4% net).

OUTLOOK FOR SECOND HALF OF 2010

KFG is optimistic about future development because the seismic has been extremely accurate to date. The Company plans at least one more test at Spring Hill, as well as another Wilcox feature in the near future. A deep test awaits financing.

STRONG ECONOMICS

Findings/Development Costs:	\$13.33 BOE
Industry Average (Canada):	\$20.00
Operating Costs:	\$5.00 BOE
Industry Average (Canada):	\$15.00
Field Net Back (\$80 Gross):	\$59.50
Recycle Ratio:	2:8:1X
Industry Average:	1:1:1X

**Historically, KFG made \$10,000 (U.S.) per abandoned well by selling the used surface facilities and salvageable pipe and casing.*

