NEWS RELEASE

DEEP WELL SEEKS MODIFICATION TO REGULATORY APPROVAL, LAUNCHES PRODUCTION PLAN, ASKS D&M TO REPORT RESERVES

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EDMONTON, ALBERTA - (Marketwire – February 7, 2012) Deep Well Oil & Gas, Inc. (and its subsidiaries – "Deep Well" or "Company") (OTCQB Marketplace: DWOG) is pleased to announce that it filed an application on February 3, 2012, with the Alberta Energy Resources Conservation Board (ERCB) to modify its ERCB-approved project for a well to test thermal production on its Sawn Lake oil sands leases.

The modification seeks to change the vertical Cyclic Steam Stimulation (CSS) earlier approved, into a pilot project with test wells that use a horizontal application of CSS. It is anticipated that regulatory approval could be received within several months from date of filing.

Deep Well's Sawn Lake project is located in the Peace River oil sands area of Alberta, Canada. Currently Deep Well has working interests in 68 contiguous sections of land on nine oil sands leases, of which Deep Well is the operator of 56 sections with an 80 per cent working interest.

In filing the modification, Deep Well also launched its production plan.

The plan sets out the scope of activities necessary to achieve initial production from Deep Well Oil & Gas, Inc.'s Sawn Lake oil sands project pursuant to studies and recommendations by an international independent third party reservoir engineering company, DeGolyer and MacNaughton Canada (D&M), received by Deep Well on January 16, 2012.

After filing documents with the ERCB, Deep Well asked D&M to report on the possible, probable and (eventually) proven (P1, P2 and P3) reserves, as well as contingent resources, on its oil sand leases. This study is expected to be delivered in the coming weeks.

This production plan arises from details of reservoir modeling by D&M. The models show the results of thermal recovery using Horizontal CSS. The D&M model is abetted by their economic forecasts demonstrating the further advantages of following the stream cycles with a horizontal type of steam flood. By their reckoning, this will boost yield from the pilot project to an average recoverability rate of 41 per cent of original oil in place.

The production plan outlines the early development scenario for Deep Well's planned Sawn Lake thermal recovery project on one half section of land located at section 10-92-13W5.

The first phase of the Plan of Development in 2012 would drill two horizontal wells and construct a production facility, followed by first production in 2013.

In September of 2009, Deep Well applied to the ERCB for a commercial bitumen recovery scheme to evaluate one of our wells for potential development using CSS. Over a year later in October of 2010, this application was approved by the ERCB.

"We have since put together a team of reservoir, drilling and completions engineers, along with project management and environmental consultants to assist us in the development of our pilot

project using in-situ recovery technology," remarked Dr. Horst A. Schmid, Chairman of the Board of Deep Well.

The CSS process involves steam injection into a well for a period of up to 60 days, potentially a "soaking" period of up to five days, followed by production of heavy oil for up to 60 days or more. This CSS thermal recovery scheme is not only for the production of heavy oil from the Bluesky reservoir zone of our Sawn Lake project: it also will add to proven and probable reserves of oil.

"As the project evolves Deep Well will continue to add management capacity for the further development and production from Sawn Lake, including the appointment of a Chief Operating Officer and other specialists with experience in heavy oil extraction," Dr. Schmid observed.

"Once production begins from the pilot project, we will pursue regulatory approval for commercialization in stages of 5,000 barrels of oil per day ("BOPD") capacity," Dr. Schmid noted. "The first commercial project will escalate the 1,800 BOPD optimal pilot production to the 5,000 barrel level. This level of production is scaleable and replicable, enabling cash flow to pursue further expansion."

Deep Well Oil & Gas, Inc. is fully committed to best practices in Environmental Stewardship to assure sustainable development of its in-situ heavy oil holdings. Deep Well is a Nevada corporation based in Edmonton, Canada. Deep Well and its subsidiaries Northern Alberta Oil Ltd. and Deep Well Oil & Gas (Alberta) Ltd. have an 80% working interest in 56 contiguous sections of oil sands leases, 40% working interest in an additional 12 sections of oil sands leases in the Sawn Lake heavy oil area in North Central Alberta. The leases cover 43,015 gross acres.

This press release contains forward-looking statements. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements." Actual results could differ materially from those projected in the Company's proposed oil and gas related business and described in this press release. The Company's business and the realization of the results contemplated by this press release are subject to various risks, which are discussed in the Company's filings with the SEC. The Company's filings may be accessed at the SEC's Edgar system at www.sec.gov. Statements made herein are as of the date of this press release and should not be relied upon as of any subsequent date. The Company cautions readers not to place reliance on such statements. Unless otherwise required by applicable law, we do not undertake, and we specifically disclaim any obligation, to update any forward- looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such a statement.

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