

PRESS RELEASE

Deep Well's Joint Venture Partner Spuds First Well of the Sawn Lake SAGD Project

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EDMONTON, ALBERTA--(Marketwire) - Deep Well Oil & Gas, Inc. Deep Well Oil & Gas, Inc. (and its subsidiaries "Deep Well" or "Company") (OTCQB Marketplace: DWOX) are pleased to announce that its joint venture partner as operator of the Steam Assisted Gravity Drainage Demonstration Project (the "SAGD Project") has commenced drilling the first of two horizontal wells for its jointly owned SAGD Project. This well will be drilled to a vertical depth of approximately 650 metres with a horizontal leg of approximate 750 metres targeting the Sawn Lake Bluesky reservoir zone.. Once this first horizontal well is drilled it is anticipated that the operator will immediately drill the second horizontal well of the first SAGD well pair for the SAGD Project.

Deep Well previously announced that it had served notice of election to participate in the SAGD Demonstration Project planned by its joint venture partner and operator of the SAGD Project. This SAGD Project is on our jointly owned lands located at 7-30-91-12W5 where Deep Well has a 25% working interest (Post Farmout).

The 2013 phase of the SAGD Project consists of the drilling of two horizontal wells (known as one SAGD well pair), the construction of a steam generation facility, water handling and oil treating, along with water source and disposal well facilities. It is anticipated steam operations will commence in December 2013 with first oil production anticipated in the first quarter of 2014.

Also, as previously announced, Deep Well entered into a farmout agreement (the "Farmout Agreement") with MP West Canada SAS (the "Farmee"), a wholly owned subsidiary of Saint-Aubin Energy (owned 1/3 by Maurel et Prom and 2/3 by MPI, two listed companies based in Paris, France), to fund our share of the approved Alberta Energy Regulator SAGD Project at our Sawn Lake heavy oil reservoir in the Peace River oil sands region of Northern Alberta. In accordance with this Farmout Agreement, the Farmee has agreed to provide up to USD\$40,000,000 in funding for our portion of the costs for the SAGD Project, in return for a net 25% working interest in 12 sections where we have a working interest of 50%. On July 31, 2013, and as required by the Farmout Agreement, the Farmee deposited into trust with our Company's legal counsel, the amount of Cdn \$12.1 million to pay for our Company's initial share of the costs for the SAGD Demonstration Project. The Farmee will also provide funding to cover monthly operating expenses of our Company, which shall not exceed \$30,000 per month.

Currently we have a 90% working interest in 51 contiguous sections on seven oil sands leases and an 80% working interest in 5 contiguous sections on one oil sands lease in the Peace River oil sands area of Alberta, where we are the operator. In addition, we have a 25% working interest, post Farmout Agreement, in another 12 contiguous sections on two oil sands leases in the Peace River oil sands area of Alberta, Canada. Theses oil sands leases cover 17,408 gross hectares (43,015 gross acres).

This news release contains forward-looking statements. The words or phrases "would be," "to be," "will allow," "intends to," "will likely result," "expected," "will continue," "is anticipated," "potential," "recoverable," "estimate," "forecast," "project," "plans," or similar expressions are intended to identify "forward-looking statements." Actual results could differ materially from those projected in the Corporation's proposed oil and gas related business and described in this press release. The Corporation's business and the realization of the results contemplated by this press release are subject to various risks, which are discussed in the Corporation's filings with the SEC. The Corporation'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 Corporation 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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