

PRESS RELEASE

DEEP WELL announces preliminary results of the Sawn Lake SAGD Demonstration Project

December 3, 2014 – For Immediate Release

EDMONTON, ALBERTA - (Marketwired) Deep Well Oil & Gas, Inc. (and its subsidiaries – "Deep Well" or "Company") (OTCQB Marketplace: DWOOG) is pleased to announce preliminary results of the Sawn Lake Steam Assisted Gravity Drainage ("SAGD") Demonstration Project.

For Phase 1 of the SAGD demonstration project, one SAGD well pair was drilled in the fourth quarter of 2013 to a depth of 650 meters and a horizontal length of 780 meters. After the construction of the SAGD facility for steam generation, water handling and oil treating was completed in 2014, steam injection commenced on May 21st, 2014.

Bitumen production commenced on September 16th 2014. Results to date indicate that the SAGD production process works in this Bluesky formation reservoir. Bitumen sales averaged 221 barrels of bitumen per day, half way through the 3rd thirty day period since the start-up of the SAGD mode production. Over the next several months the SAGD well pair is expected to have increased steam injection and bitumen production as the steam chamber develops.

The objective of this initial pilot well pair was to establish that the SAGD process works in the Bluesky formation reservoir, and results to date support this. We are now focused on achieving commercial rates. We expect to achieve these results in early March 2015 when reservoir modelling indicates that the steam chamber will reach the top of the Bluesky formation sandstone reservoir. Maximum production is anticipated to occur around September 2015 corresponding to the end of the first year of production.

Deep Well is fully committed to best practices in Environmental Stewardship to assure sustainable development of its in-situ heavy oil holdings.

Deep Well and its Canadian subsidiaries, Northern Alberta Oil Ltd. and Deep Well Oil & Gas (Alberta) Ltd., have a 90 per cent working interest in 51 contiguous square miles of oil sands leases, a 100 per cent working interest in 5 contiguous square miles of oil sands leases and a 25 per cent working interest in 12 contiguous square miles in the Sawn Lake heavy oil area in North Central Alberta. The leases cover 17,408 gross hectares (43,015 gross acres).

This press 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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