

Press Release

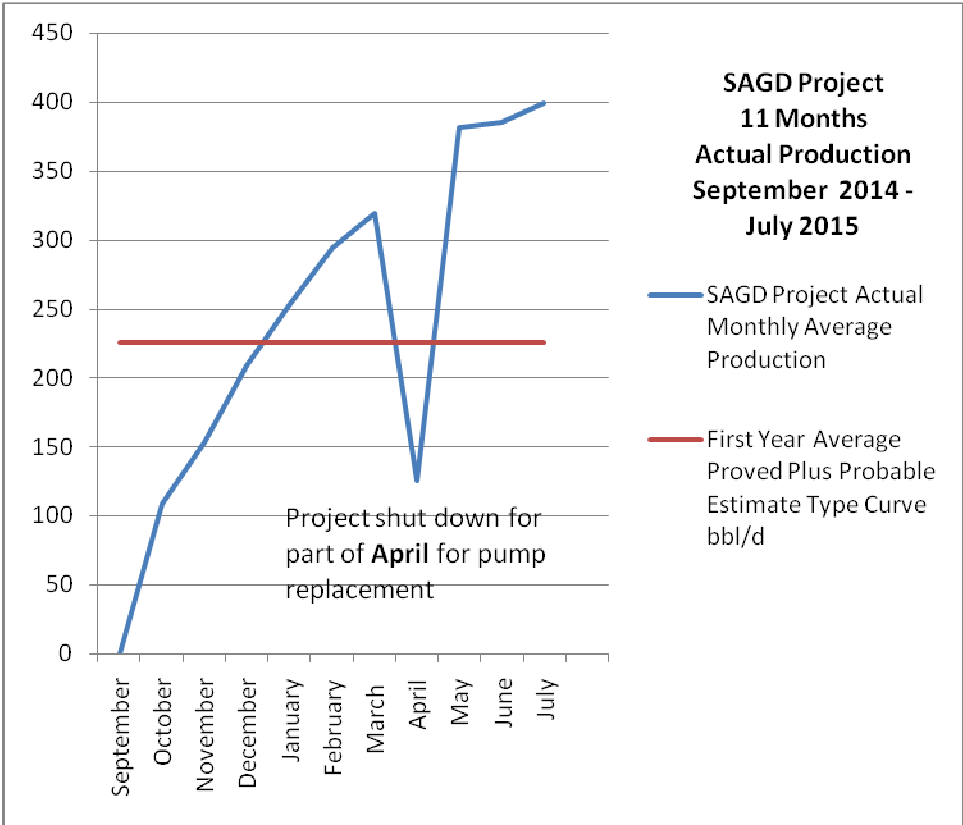
Deep Well Announces Production Update

September 01, 2015 – 08:00 ET

EDMONTON, ALBERTA - (Marketwired) Deep Well Oil & Gas, Inc. (and its subsidiaries – "Deep Well" or "Company") (OTCQB: DWOG) is pleased to announce a production update of our joint Steam Assisted Gravity Drainage project ("SAGD Project") located in the Peace River oil sands area of Alberta, Canada.

Our SAGD Project production rate at the end of 11 months exceeded the average rate forecasted for the first year by 76% of the "Proved Plus Probable" production type curve projection as determined by DeGolyer and MacNaughton Canada Limited ("DeGolyer" is our independent qualified reservoir engineering firm) as reported in our September 30, 2014 reserves report. Production type curves are theoretical forecasts of reservoir performance and are used by qualified reserves evaluators, to predict and forecast, but not limited to, reservoir production rates and cash flows that have not yet been observed in a certain reservoir field. This "Proved Plus Probable" estimate is just as likely to be high as it could be low, therefore DeGolyer's "Proved Plus Probable" estimate is "right in the middle" of expected estimates of type curve projections.

DeGolyer estimated that production would average 226 barrels of oil per day with an SOR of 4.12 in the first year of our SAGD Project, based on a 100% basis. The first oil production from our joint SAGD Project commenced on September 16, 2014 from the first SAGD well pair. Results to date indicate that the use of SAGD technology is successful in producing oil in the form of bitumen from the Bluesky reservoir. Bitumen production on a 100% basis averaged 399 barrels per day (100 barrels per day net to Deep Well since we have a 25% working interest) in July 2015 with an average SOR of 4.4.



Based on the operator's forecasts, the steam chamber is expected to reach the top of the Bluesky reservoir by the end of September 2015 and maximum oil production is now expected to be reached by the end of November of 2015. The operator is now aiming for consistent bitumen production of more than 440 barrels of bitumen per day, based on 100% working interest basis, with an associated SOR of about 3.1.

“We are also proud to announce that Mr. Curtis Sparrow, Director and Chief Financial Officer of our Company, has become a National Association of Corporate Directors (“NACD”) Governance Fellow as a credentialed Director, whereby Mr. Sparrow has demonstrated his commitment to boardroom excellence.” said Dr. Horst A. Schmid, President and CEO of our Company. The NACD is the recognized authority focused on advancing exemplary board leadership and establishing leading boardroom practices.

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, an 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. These leases cover 17,408 gross hectares (43,015 gross acres).

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

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,” “probable,” “possible,” 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. Statements in this press release, which are not purely historical, are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. Actual results could differ from those projected in any forward-looking statements due to numerous factors. In general, estimates of reserves and resources are based upon a number of factors and assumptions made as of the date on which the estimates were determined, such as geological, technological and engineering estimates and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking estimates. 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 U.S. Securities and Exchange Commission (“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.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to separately disclose only proven, probable and possible reserves that have been determined in accordance with SEC rules. The Company uses certain terms in its 51-101 reports that the SEC's guidelines strictly prohibit the Company from including it in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in the Company's periodic and other filings filed with the SEC on EDGAR at www.sec.gov.

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