

Deep Well Announces Production Testing Begins at Sawn Lake

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EDMONTON, ALBERTA--(CCNMatthews - Dec. 8, 2005) - Deep Well Oil & Gas, Inc. ("Deep Well") (PINK SHEETS:DWOG), and its subsidiaries, Northern Alberta Oil, Ltd and Deep Well (Alberta), Ltd are pleased to announce the operator has initiated testing of the first successful well in the Sawn Lake heavy oil project.

Signet Energy Inc., the Operator, announced on December 6, 2005, that it has successfully drilled and cased the first well in the Sawn Lake heavy oil project. The Operator stated, "the drilling consisted of a vertical well to the depth of 680 meters followed by a horizontal leg of over 600 meters." The Operator expects that the production testing of this well will be completed by the middle of January 2006. They additionally announced, "laboratory analysis determined the core from the vertical well has an average porosity of 32%, permeability in the range of four darcys, and over 40 feet of oil pay, ranging from 10 to 13 API."

Two previously published independent engineering reports estimate that there are between 820 million and 1.2 billion barrels of original oil in place. Deep Well expects that 10% of the 820 million to 1.2 billion barrels will be recoverable by conventional cold flow pumping methods. Deep Well believes the market price for this heavy oil to currently be about \$45.00 per barrel. Fully developed it is believed production could exceed 50,000 barrels of oil produced per day using only conventional cold flow methods. These results may be significantly enhanced by secondary recovery methods such as hot water flooding.

Deep Well owns 31.4% of the Operators shares, in addition to a 40% undivided working interest in the Sawn Lake heavy oil project. The Operator must conclude another nine horizontal wells at no cost to Deep Well to fully earn their 40% working interest in the project.

Other heavy oil projects in the area include Black Rock Ventures Inc. (TSX:BVI) and Shell Peace River (SHO:TO), which are within a 100 km (60 mile) radius of the Sawn Lake project.

Deep Well Oil & Gas, Inc. is a Nevada corporation based in Alberta Canada. Deep Well and its subsidiaries, Northern Alberta Oil Ltd. and Deep Well Oil & Gas (Alberta) Ltd. have an 80% working interest (subject to a farmout agreement) in 63 contiguous sections of oil sands leases and 6.5 sections of oil sands permits in the Sawn Lake heavy oil area in North Central Alberta. After the farmout partner fully earns its interest, Deep Well will directly hold 40% of the project. In addition, Deep Well owns 31.4% of our farmout partner's shares.

This press release contains forward-looking statements. The words or phrases "would be," "could," "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. The Company's business is subject to various risks, which are discussed in the Company's filings with the Securities and Exchange Commission ("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.

CONTACT INFORMATION

Deep Well Oil & Gas, Inc.
Dr. Horst A.Schmid
President
(780) 409-8144