

Deep Well Oil & Gas, Inc.: Production Testing Operations and Completion Have Commenced at Sawn Lake

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EDMONTON, ALBERTA--(CCNMatthews - Jan. 9, 2006) - Deep Well Oil & Gas, Inc. ("Deep Well") (PINK SHEETS:DWOG) is pleased to announce that the operator has commenced production testing operations and completion at the Sawn Lake project. The service rig, which is currently onsite will install the production pump and run it in to depth in the well on production tubing in preparation to flow the well.

The drilling consisted of a horizontal well over 700 meters at the vertical depth of approximately 750 meters. Laboratory analysis determined the core from the vertical well has an average porosity of 32%, permeability in the range of 4 darcys and over 40 feet of oil pay.

The well confirmed the pay zones as stated in an engineering report by an independent engineering firm. Also, it was noted there was a high concentration of solution gas present.

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 drills 10 wells at no cost to Deep Well it will fully earn its interest. Deep Well will then directly hold 40% of the project. In addition, Deep Well owns approximately 29.5% of our farmout partner's common shares. A previously published independent engineering report estimated that, there is 819.5 million original barrels of oil in place.

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. 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.

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