

**Deep Well Oil & Gas, Inc.: Production Flow Testing Begins at Sawn Lake**

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EDMONTON, ALBERTA--(CCNMatthews - Jan. 11, 2006) - Deep Well Oil & Gas, Inc. ("Deep Well") (PINK SHEETS:DWOG) is pleased to announce that production testing has been initiated on the first well of the Sawn Lake 2006 drill program. The operator, Signet Energy, has confirmed that a down hole pump and tubing has been installed. A testing crew is currently on location and production flow testing has been initiated. Further information will be released by the company on the status of the well as flow rates and other relevant information becomes available.

On December 6, 2005 Signet Energy announced that it had successfully drilled the first vertical test well that was plugged back then kicked off horizontally for a distance of approximately 600 meters and cased. Signet stated further: "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." There is also a significant gas concentration 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, the farmout partner will fully earn its interest in the project. 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 are 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](http://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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