

## PRELIMINARY DRILLING RESULTS AT SAWN LAKE

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EDMONTON, ALBERTA – (CCNMatthews – October 13, 2006) Deep Well Oil & Gas, Inc. and its subsidiaries ("Deep Well") (PINK SHEETS:DWOG - News) are pleased to announce the preliminary results of the most recently drilled wells located at 4-32-91-12W5M ("4-32") and 7-30-91-12W5M ("7-30") in the Sawn Lake oil sands property. These are the second and third wells drilled by Signet on the Sawn Lake Project.

The vertical sections of the wells at 4-32 and 7-30 were cored, logged and drill-stem tested in the Bluesky formation. Analysis of the cores from the second and third wells indicates the formation has a porosity greater than 30%, permeability's ranging up to eight darcies and average heavy oil saturations of 78 and 68 percent, respectively. Oils spun out of the cores of 4-32 and 7-30 wells show an extrapolated oil viscosity of approximately 500,000 centistokes at 20 degrees Celsius, which is approximately the temperature of the formation at Sawn Lake. The reservoir at both locations displays very high vertical to horizontal permeability ratios. This is an important parameter and a major benefit to reservoirs exhibiting such values for thermal recovery methods. Review of the Logs from wells 4-32 and 7-30 shows net oil pays of 23 and 22 meters respectively.

While the analysis of the cores and logs of second and third wells shows very high average oil saturation over the pay zone, to date the 7-30 well has produced only water with some showings of oil flecks not suitable for assay.

An oil sample recovered from the pump rotor on the 4-32 well indicates a density range of 3.1° to 5.5° API at 15.6 degrees Celsius; viscosity analyses are currently being conducted.

The preliminary analysis of both the spun core and surface oil samples together with the absence of produced oil indicates this portion of the reservoir is better suited for alternative recovery methods.

The fourth well at 13-29-91-12W5M "13-29" will not be drilled at its proposed location because it would not provide any significant additional geological information concerning the Sawn Lake reservoir beyond that of the 3 completed wells. Please refer to the map showing the locations of these wells on our web site to see the proximity of the "13-29" initially proposed location to the other wells. On the same web site [www.deepwelloil.com](http://www.deepwelloil.com) you can also view photographs of the oil recovered from the second well drilled.

Production testing of the second and third well has been suspended due to the lack of cold flow production.

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. The permits and leases cover 43,964 acres. To fully earn their interest in the project, Signet

Energy Inc. must drill 10 wells at no cost to Deep Well by, February 25, 2008. Once the 10 wells are drilled, Deep Well will then directly hold 40% of the project. In addition, Deep Well owns 7.55 million common shares of Signet. 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. Deep Well Oil & Gas, Inc. (PINK SHEETS: DWOG - News)

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