



Business Office : Level 2, 161 Walker Street, North Sydney, NSW, Australia, 2060.
Registered Office : Level 1, 1304 Hay Street West Perth, W.A., 6005.
Phone (61) 2 9929 3383 Fax (61) 2 9929 3883 Email : admin@greatoil.com.au

ACN 078 617 682

15 September 2005
**Australian Stock Exchange
Electronic Lodgment**

**DRILLING REPORT FOR KIANA-1, PEL 107
SOUTH AUSTRALIAN COOPER BASIN**

Great Artesian Oil and Gas Limited ("Great Artesian") wishes to announce the following status of the Kiana-1 oil exploration well, as at 0600 hours CST 15 September 2005, currently being drilled by Beach Petroleum Limited ("Beach") on behalf of the PEL 107 Joint Venture is as follows.

Depth	2017 m - Total Depth
Operation	Pulling out of the hole

A planned drill stem test #5 (DST#5) over a sandstone interval 1963 and 1968 m, which has good gas shows, was aborted after the tool became temporarily stuck in the hole. The well will be cased as an oil and gas producer from the Patchawarra Formation, following the flow of 2.8 million cubic feet of gas, and 1100 barrels of oil, per day from the interval 1939 – 1948 m during DST#4. Further analysis will be undertaken to determine whether additional testing is required before the well is completed.

Participants in the Kiana-1 well are

Beach (Operator)	40%
Great Artesian	30%*
Magellan Petroleum Australia Limited	30%*

* Magellan's interest is subject to a farmin with Great Artesian and conditional upon a commercial discovery.

A time depth chart is attached.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'R. Shaw', is written over a horizontal line.

Dr Raymond D. Shaw

KIANA-1

Time Depth Chart

