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ASX/media announcement

11 November 2005

UDACHA-1 FULLY FUNDED BY FARMINEES

Great Artesian Oil and Gas Limited (ASX : GOG) has been advised by Magellan Petroleum (Southern) Pty Ltd, a wholly-owned subsidiary of Magellan Petroleum Australia Limited ("Magellan" ASX : MAG), that it intends to exercise its farmin option, under a Farmin Agreement signed on 29 August 2005, and participate in the drilling of the Udacha Prospect, located in PELs 91 and 106 in the South Australian Cooper Basin. By funding 60% of the well costs Magellan will earn a 30% interest in any subsequent production licence if drilling results in a commercial discovery.

Under the Farmin Agreement Magellan has already funded Great Artesian's 60% share of the drilling costs of the Kiana-1 and Tyringa-1 wells, recently drilled in adjacent PEL 107. Kiana-1 was cased and suspended as a future oil and gas producer with cased hole production testing due to commence within the next week.

The Udacha Prospect lies across the boundary of PEL 91 and 106, down-dip and on the same structural trend as the Carrickalinga Prospect in which a minor oil recovery was made during the drilling of Carrickalinga-1 in late 2003. The Carrickalinga-1 results demonstate that oil has moved up into this structural trend and the Udacha Prospect is a robust faulted anticline sitting on the outer edge of this trend. It had not been previously targeted for drilling simply because the PEL 91 and 106 permit boundary roughly dissects the prospect. However, earlier this year, the participants of these two permits (Great Artesian and Beach Petroleum Limited, "Beach" ASX : BPT) began negotiations for a pre-drill unitization agreement in which their respective interests would be unitized across the Udacha Prospect.

The Udacha Prospect has the potential to accommodate up to 2.3 million barrels of recoverable oil, or some 10.5 BCF of gas (both at a P10 level of confidence) with the Patchawarra Formation providing the primary reservoir target. The Toolachee and Epsilion formations and Tirrawarra Sandstone represent secondary reservoir targets. Drilling of Udacha-1, which will be operated by Beach, using the Century Resources Rig #3, will commence in January 2006 - immediately following the completion of the Rossco-1 well to be drilled by Great Artesian in PEL 106 in December 2005.

Magellan's participation in the Udacha Prospect further evidences the high regard in which this portion of the Cooper Basin is held by Australian on-shore oil and gas explorers. Following completion of farmin agreements the participation interests in the Udacha Prospect will be :

Great Artesian	32.5%
Beach (Operator)	15.0%
Enterprise Energy NL*	12.5%
Magellan*	30.0%
Rawson Resources Ltd*	10.0%

* Interests are in any subsequent production licence following commercial discovery. Initial unitization interests are Beach 30% and Great Artesian 70%.

Further information can be obtained from Dr Ray Shaw, Managing Director, Great Artesian Oil and Gas Limited and the Great Artesian web-site, www.greatoil.com.au.