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7 August 2006

TENNYSON-1 Commences Drilling

Great Artesian Oil and Gas Limited ("Great Artesian" ASX: GOG), wishes to advise that the Operator, Beach Petroleum Limited ("Beach"), has informed Great Artesian that the Tennyson-1 well has commenced drilling within the Beach Farmin Block portion of PEL 106, at 1300 Hrs CST on 6 August 2006 using Century Rig #3. The status of the Tennyson-1 well as at 0600 hrs CST this morning was as follows:-

Current Depth	275 m
Current Operation	Drilling ahead with 12 1/4" surface hole.
Forward Operations	Continue to drill surface hole to a depth of 950 m prior to pull out, run and set surface casing.

The Tennyson-1 drilling will be fully funded by Beach. Tennyson-1 is the first of three wells and 145 sq km of 3D seismic to be funded by Beach in order to earn a 50% interest within the Beach Farmin Block portion of PEL 106. This well forms part of an agreement by Beach to fund additional farmin work in order to now earn a participating interest in the Beach Farmin Block, the terms of which were announced to the ASX on 26 May 2006.

Tennyson-1 will test a faulted anticlinal structure located on the western rim of the Patchawarra Trough, about 3.5 km northeast of the Udacha-1 gas discovery, 7 km west of the Smegsy Gas Field and 6.5 km north-northwest of the Middleton-1 gas and condensate discovery.

The primary objective of the well is the Patchawarra Formation but there is also some secondary potential within the Toolachee Formation, Epsilon Formation and Tirrawarra Sandstone. Each of these geological units is commercially productive elsewhere in the Cooper Basin. It is likely that hydrocarbon charge into the Tennyson structure will be of gas/condensate as it is surrounded by wet gas fields which on test flowed between 8 and 12 million cubic feet per day (Raven-1 flowed gas at 9 million, Middleton-1 at 11.8 million and Smegsy at 8 million, cubic feet per day). Mapped as a relatively small structure, in-place reserves are estimated at between 2 and 15 billion cubic feet of gas, assuming a simple structural trapping model, although several discoveries in this area are known, or suspected, of having stratigraphic trap components involving hydrocarbon pools extending beyond the mapped footprint of the hosting coincident structural trap.

Tennyson-1 is now the ninth successive exploration well that Great Artesian has participated in since August 2005 to be fully funded by farminees. Spudding of Tennyson-1 represents the

first occasion since listing that Great Artesian is concurrently participating in the drilling of two exploration wells. The second well, Bellbird West-1 is an oil exploration well being drilled in ATP 552 in the Surat Basin.

Participants in the Tennyson-1 well are

Beach (Operator)	50%
Great Artesian	50%

A location map and time depth curve is included and further information can be obtained from Dr Ray Shaw, Managing Director, Great Artesian Oil and Gas Limited (Telephone 02- 9929 3383) or from the Great Artesian web-site, www.greatoil.com.au.

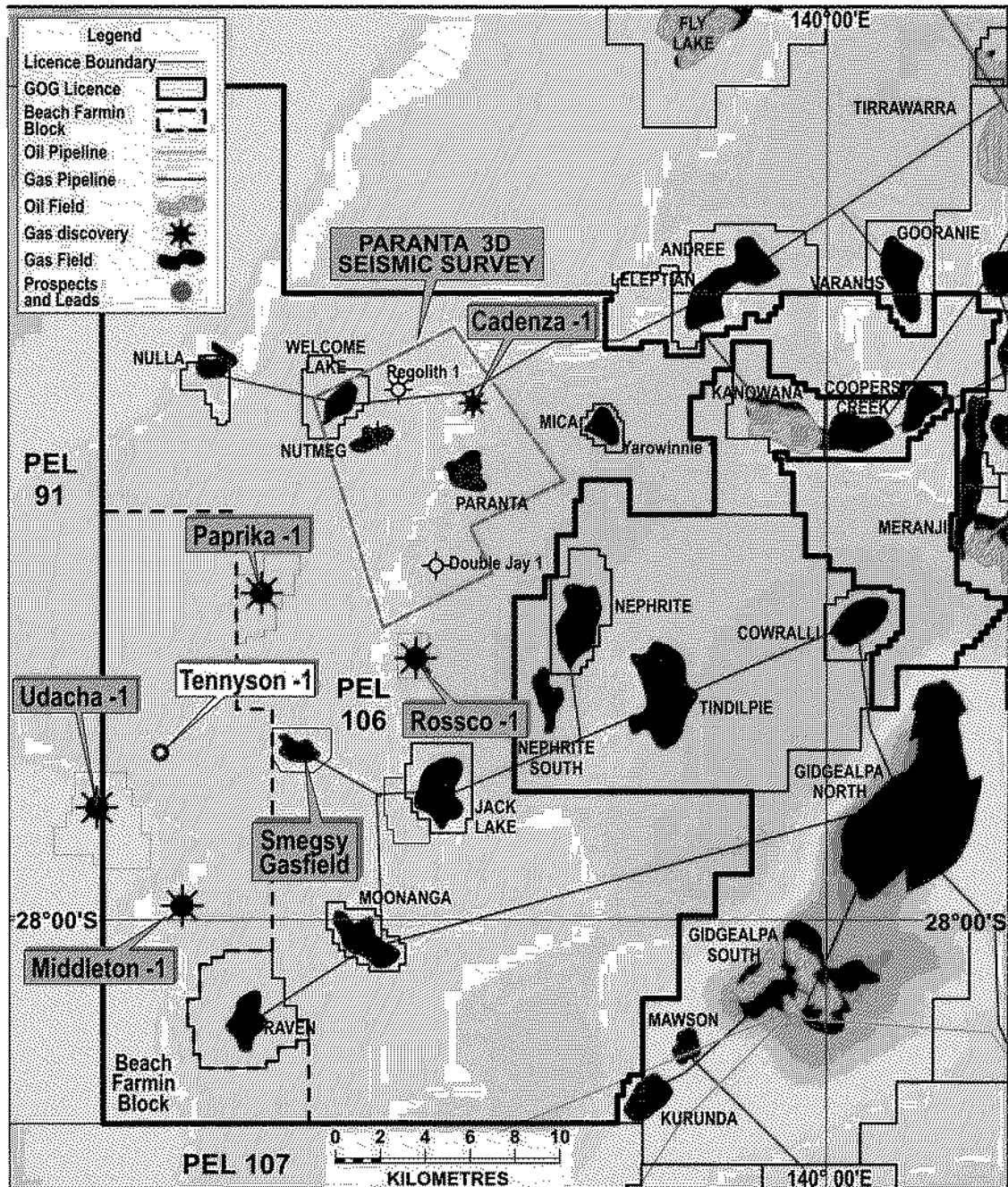


Figure 1 – Location of Tennyson-1 well within PEL106

TENNYSON -1

Time Depth Chart

