

ASX RELEASE

Tellus Resources Ltd is an Australian-based oil & gas and mineral exploration company with licences in South Australia, Queensland and New South Wales.

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shares

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Pirie 1 ST1 Weekly Drilling Report (Final)

Tellus Resources Limited (TLU or the Company) provides its final weekly update on the Pirie 1 well below. The well has now been cased and suspended as a potential Birkhead zone oil producer and the rig released on Saturday 9 November 2013.

As part of the farmin arrangement with Senex Energy Limited (Senex), the operatorship of PEL 105 is to be transferred from the Company to Senex. Interests in the block at this time and subject to Ministerial approval are:

TLU	50%
Senex	50%

Senex has an obligation to drill a further well in the Permit by 30 June 2014 at its sole risk and cost. Following this, the interests in the block are to be:

TLU	30%
Senex	70%

Commenting on the outcome of the Pirie 1 well, the managing director of TLU Carl Dorsch said that *"Although the well did not reach its intended objective of the Tirrawarra sands due to multiple engineering and well bore problems, a successful sidetrack was managed. The decision to case and complete the well early was made by the Company as it gives access to the Birkhead which had good hydrocarbon shows. Although electric logs indicate poor sand quality there are cases in the Basin where good oil producibility is not picked up in logs. The Company is keen to test the zone and demonstrate whether an "unconventional" reservoir exists or not.*

The well was drilled to the top of the Nappamerri to allow access to this zone. Gas has been found in this formation in nearby wells and may be investigated at a later stage if considered prospective.

No lost time accidents were reported for the well which was very pleasing given the difficult circumstances during phases of the program. I take this opportunity to thank the drilling contractor, subcontractors and representatives of the Company for their diligent efforts," he said.

ITEM	DETAIL
Well name	Pirie -1 / Pirie 1 ST1
Permit	PEL 105
Participants	- Tellus Resources Ltd – 50% (Operator) - Senex Energy Ltd (SXY) – 50%
Primary targets	- Hutton/Birkhead - Patchawarra/Tirrawarra
Spud date	30 September 2013
New Target Depth	2310m (20 m into the top of the Hutton)
Revised Target Depth	2520 m (20m into the top of Nappamerri)
Total depth @ end of current week	2522m – Pirie 1 ST1
Total depth @ end of previous week	2522m (ST-1)
Metres drilled during week	0m
Activities during week	- Finish logging - RIH on clean out trip – some tight hole - Run wiper trip to shoe - Lay out pipe - Run and cement 4½” production casing without incident - Tear out BOP’s - Rig release at 1500 hrs 9th November 2013
Current activities	Tear out rig and equipment
Planned activities	Finish demobilization of rig and equipment
Other comments	Participant interests are subject to Ministerial approval

Pirie- 1 Planned TVD Curve

