

ASX RELEASE

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

Directors:

Robert Kennedy (*Chairman*)

Carl Dorsch (*Managing Director*)

Neil Young (*Non-Executive Director*)

Issued Shares:

283,848,295 ordinary shares

Tellus Resources Ltd

ASX Code: TLU

T: +61 8 8100 9200

F: +61 8 8227 0544

Level 5, 70 Pirie Street

(PO Box 190, Rundle Mall)

ADELAIDE 5000

SOUTH AUSTRALIA

Website: www.tellusresources.com.au

Enquiries :

Carl Dorsch

+61 (0)400 508 088

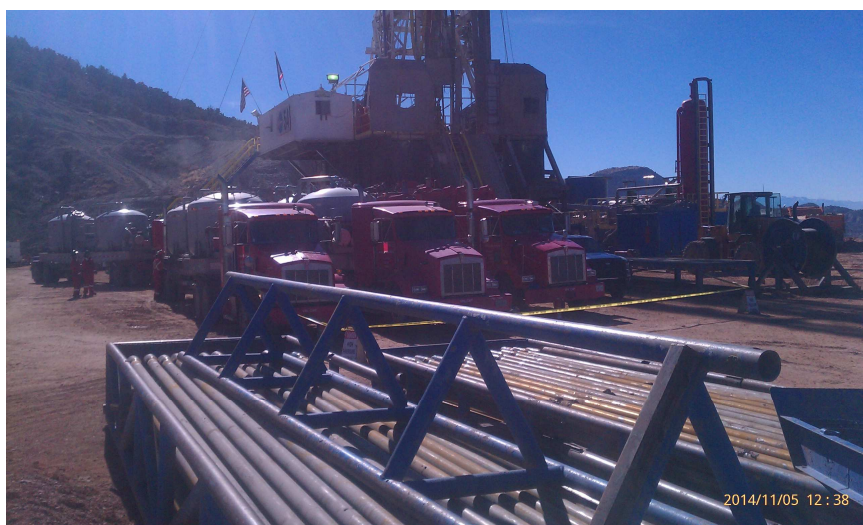
carl.dorsch@tellusresources.com.au

COVENANT MONDO WELL #1 UPDATE

Tellus Resources Ltd ("TLU" or "the Company") is pleased to provide the weekly drilling operations summary below on the TWP USG #1 well. The well is the first in a two well farmin program in the Covenant Mondo conventional oil play located in Sevier County, Utah, USA.



TWP USG #1



WEEKLY DRILLING REPORT : TWP USG #1

1. All times/dates reported as Utah time = ACSST less 17.5 hrs.
2. Depths reported as :
 mTVD : true vertical depth, metres;
 mMD : measured depth, metres

ITEM	DETAIL
Well name	▪ TWP USG #1
Permit	▪ USG Lease, Sevier County, Utah, USA
Drilling Unit	▪ SST Energy Corporation Rig # 54
TLU Working Interest	▪ 25%
Primary Targets	▪ Twin Creek Sandstone at 1773 mMD ▪ Navajo 1 Sandstone at 1890 mMD ▪ Navajo 2 Sandstone at 1960 mMD
Spud time & date	▪ 13:45 hrs on 2 nd November 2014
Target depth (prognosed)	▪ 2256 mTVD, 2267 mMD
Total depth @ end of current week	▪ 1883 mTVD (09:00 hrs on 9 Nov 2014)
Total depth @ end of previous week	▪ 288 m
Metres drilled during week	▪ 1595 m
Days from Spud	▪ 7.6
Activities during week	▪ Survey at 288m – 2.7deg : decide to pick up directional tools ▪ Pick up directional tools ▪ Drill 12 ¼" surface hole to 619.7mMD – hole section TD ▪ Run and cement 9 5/8" surface casing at 619mMD ▪ Nipple up and test BOP's ▪ Pick up 8 ¾" directional drill ass'y and RIH ▪ Drill out surface casing and drill 1m new hole ▪ Conduct FIT to EMW of 12.0 ppg ▪ Drill ahead in 8 ¾" production hole (directional)
Current activities	▪ Drill 8 ¾" production hole
Planned activities	▪ Drill ahead in 8 ¾" production hole
Other comments	▪ Mud loggers rigged up and sampling