

great artesian oil and gas limited

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Centralised Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir,

OILEX and Indian Co-Venturers Farmin to EPP27, Offshore Otway Basin

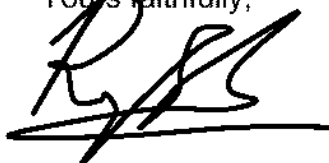
Great Artesian Oil and Gas Limited ("Great Artesian", ASX Code : GOG) is pleased to advise that it has finalised its farmin agreement for EPP 27, Offshore Otway Basin, involving Oilex NL ("Oilex", ASX Code: OEX). As foreshadowed in Oilex's ASX announcement of 14 January 2006 the farmin also involves two key players in the Indian oil and gas sector; Videocon Industries Limited ("Videocon"), the oil and gas member of the major diversified Videocon group of companies and Gujarat State Petroleum Corporation Limited ("GSPC"), a vertically integrated oil and gas company owned by the Government of the State of Gujarat.

The new agreement between GOG, Oilex, Videocon and GSPC will see the farminees funding an exploration well at a location to be determined and acquiring up to \$2 million of new 2D seismic data. Planning has commenced for possible seismic acquisition in May – June 2006 with expectations that the well will be drilled during late 2006 or 2007, subject to government approvals and rig availability. Once the well is drilled Oilex, Videocon and GSPC will each be entitled to a 20% interest in EPP 27, with Great Artesian retaining the remaining 40%.

All parties have signed the agreements, which are effective from 28 February 2006. As announced on 28 December 2005, Great Artesian advised that due to the lack of availability of a rig to undertake the drilling, it had been necessary to seek a suspension of EPP 27 for up to 12 months, until 21 December 2006. The revised end of the current exploration phase is 24 February 2007.

Great Artesian welcomes the introduction of these major players, particularly as it is their first venture into an Australian exploration opportunity. Their contributions will provide both depth and strength to the Joint Venture, which is looking to commence seismic acquisition at the earliest available opportunity.

Yours faithfully,



Dr Raymond D. Shaw
Managing Director