

7 March 2006

**Australian Stock Exchange
Electronic Lodgement**

**Media Update
MAJOR GAS STRIKE IN SA's COOPER BASIN**

The 11 million cubic feet per day gas flow achieved in testing the Middleton-1 exploration well late yesterday represents one of the strongest gas flows ever recorded in the South Australian Cooper Basin.

The well is some 50 kilometres west of the Moomba petroleum treatment centre in the north-east corner of South Australia, which supplies Sydney and Adelaide with natural gas. Being drilled by Beach Petroleum on Great Artesian Oil and Gas Limited's areas, the two companies will share 50:50 in the success.

Great Artesian's Chairman, Norm Zillman, said "The gas flow at Middleton-1 completes a hat-trick for us: three out of three successes from our current drilling campaign - Rosasco-1, Udacha-1 and now Middleton-1 wells have each been cased and suspended as potential future gas/condensate producers.

Great Artesian earlier this year started oil production, now running at approximately 20,000 barrels per month, from its Kiana field and last week began gas and condensate production from its Smegsy Block joint venture with Enterprise Energy; both in the Cooper Basin area.

"Middleton-1 caps off what has been a fantastic start to the year," Mr Zillman said. "It follows the recent increase in oil production from Kiana-1 in nearby PEL 107, and last week's announcement of the commissioning of the pipeline and start of gas production from Smegsy-1 gas field. Added to that was the recent conclusion of the farmin negotiations which sees two major Indian oil and gas players, in addition to Oilex, funding both seismic surveys and a well in our offshore Otway Basin EPP 27 area, South Australia."

Middleton-1 details

Middleton-1 flowed gas from a 10 metre interval within the Patchawarra Formation between 2653 and 2663 m, through a choke size of 5/8 inch at the very strong flowing pressure of 1,170 psi. Beach Petroleum, which fully funded and operated the well, interprets an approximate 7 m net gas pay within this interval. A total of between 3 and 9 m of additional gas pay is likely in other sands penetrated by the well.

The Middleton well is located in PEL 106 just 6 km northeast of the Santos-operated Raven gas field and 8 km southeast of the Great Artesian-operated Smegsy gas field

(GOG 75%), and 5 km from the Udacha-1 wildcat discovery made last month, in which GOG has a 32.5% interest.

Mr Zillman also said that "PEL 106 is shaping up to become a potentially important new gas/condensate province in the South Australian Cooper Basin given the close proximity of the Middleton, Udacha, Smegsy, Rosasco and Raven accumulations. These results confirm the viability of Great Artesian's strategic permit holdings in this western flank of the Patchawarra Trough with 60% interest in PEL 91 and PEL 107 and retaining a 100% ownership of PEL 106 whilst farming out on a prospect by prospect basis."

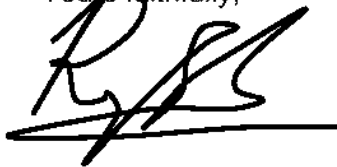
Middleton-1 will now be cased and suspended to await appropriate completion equipment.

Participants in the Middleton-1 well are:

Beach Petroleum Ltd (Operator)*	50.00%
Great Artesian Oil and Gas Ltd	50.00%
* subject to commercial discovery	

A locality map for the recent discoveries in PEL106 follows:

Yours faithfully,



Dr Raymond D. Shaw
Managing Director

