

FEDERAL COURT APPROVES GREAT ARTESIAN SCHEME OF ARRANGEMENT FOR MERGER WITH DRILLSEARCH ENERGY

Great Artesian Oil and Gas, (ASX:GOG) which listed on the ASX on 5 August 2003, explores and develops conventional oil and gas projects. It has a strategic spread of petroleum exploration acreage in Australia's most prolific onshore oil and gas province, the Cooper Basin in South Australia and in Queensland as well as one offshore permit in the Otway Basin and three offshore permits in the Gippsland Basin. The focus is on 'brownfields' exploration where geological risk is reduced and there is access to existing infrastructure, which ensures that any discoveries can be brought into production rapidly. Great Artesian is currently in the process of a merger with Drillsearch Energy Limited (ASX:DLS) by way of Scheme of Arrangement, details of which were announced on 18 April 2008. The merger with Drillsearch would bring cash flow from oil exploration in the SW Queensland and additional exploration acreage in the Cooper-Eromanga Basins and Surat Basin in Queensland and offshore in Carnarvon and Bonaparte Basins as well as interests in PNG and Canada

Great Artesian Oil & Gas Limited
ABN: 44 078 607 682
Level 2
161 Walker Street
Sydney NSW 2000
Australia
Phone (61) 2 9929 3383
Fax (61) 2 9929 3883
admin@greatoil.com.au

www.greatoil.com.au

David Williams,
Managing Director
+612 9929 3383

Released through FCR: contact
Brian Mahoney 0413 437 627 or
Kevin Kartun (02) 8264 1003

The Federal Court of Australia ("**Court**") has earlier today approved the scheme of arrangement between Great Artesian Oil and Gas Limited (ASX:GOG) and its shareholders for the merger with Drillsearch Energy Limited (ASX:DLS) ("**Scheme**"), following shareholders agreeing to the Scheme at the meeting held on 28 July 2008.

Great Artesian has lodged a copy of the Court order approving the Scheme with the Australian Securities and Investments Commission ("**ASIC**") and accordingly the Scheme has become effective. Great Artesian shares will be suspended from trading on the ASX from close of trading today.

Trading of the new Drillsearch shares that Great Artesian shareholders (other than Ineligible Overseas Shareholders) will receive as consideration under the Scheme will commence on a deferred settlement basis from the start of trading on 1 August 2008 under the code "DLSNA". It is the responsibility of all shareholders proposing to trade new Drillsearch shares on a deferred settlement basis to confirm their holding before doing so. As outlined in the Scheme Booklet, Drillsearch intends to despatch holding statements to Great Artesian shareholders (other than Ineligible Overseas Shareholders) on 12 August 2008. Shareholders who trade their new Drillsearch shares before they receive a holding statement do so at their own risk. Great Artesian recommends that any shareholder who is considering trading their new Drillsearch shares on a deferred settlement basis consults with their financial, legal or other professional adviser before doing so.

The Scheme is expected to be implemented on 12 August 2008 and Great Artesian shares will be de-listed from the ASX shortly afterwards.

Capitalised terms used in this announcement have the same meaning as set out in the Scheme Booklet dated 19 June 2008 (unless indicated otherwise). An indicative timetable for the remaining steps to implement the Scheme is set out below.

Effective Date of the Scheme and last day of trading of Great Artesian shares on ASX	31 July 2008
New Drillsearch shares commence trading on ASX on a deferred settlement basis under the code "DLSNA"	1 August 2008
Record Date for determining entitlements to the Scheme consideration	7.00pm, (Sydney time) 7 August 2008
Implementation Date for the Scheme	12 August 2008
Despatch of holding statements for Scheme consideration	12 August 2008
New Drillsearch shares commence trading on a normal settlement basis	13 August 2008

All dates and times are Sydney, NSW times and are indicative only. Any changes to the above timetable will be announced to ASX and available on its website (www.asx.com.au) (ASX code: GOG).