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**Australian Stock Exchange
Electronic Lodgment**

**DRILLING REPORT FOR KIANA-1, PEL 107
SOUTH AUSTRALIAN COOPER BASIN**

Great Artesian Oil and Gas Limited ("Great Artesian") wishes to announce the following status of the Kiana-1 oil exploration well, as at 0600 hours CST 12 September 2005, currently being drilled by Beach Petroleum Limited ("Beach") on behalf of the PEL 107 Joint Venture is as follows.

Depth	2017 m - Total Depth
Operation	Preparing to conduct wire line logging.

A sandstone interval between 1963 and 1968 m which has good gas shows will be evaluated once the wireline logging has been completed.

Participants in the Kiana-1 well are

Beach (Operator)	40%
Great Artesian	30%*
Magellan Petroleum Australia Limited	30%*

* Magellan's interest is subject to a farmin with Great Artesian and conditional upon a commercial discovery.

A time depth chart is attached.

Yours faithfully,

A handwritten signature in black ink, appearing to read "R. D. Shaw", is written over a horizontal line.

Dr Raymond D. Shaw

KIANA-1 Time Depth Chart

