

ASX ANNOUNCEMENT

Date : 7 December 2006

To : **Australian Stock Exchange Limited**
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

DAILY DRILLING REPORT – Cabbots-1 **(PEL 107 South Australian Cooper Basin)**

Great Artesian Oil and Gas Limited (“GOG”) advises that the current status of the Cabbots-1 exploration well is as follows :

Time of Report :	6.00 hours (CST) 7 December 2006.
Well Depth :	854m in the Mackunda Formation
Current Operation :	Run and set surface casing
Forward Operations :	Cement surface casing and perform leak off test

Cabbots-1 spudded at 0900 hrs (CST) on 5 December 2006. Cabbots-1 is an oil exploration well that will test a combined Permian fault bound anticlinal trap in the southwestern Patchawarra Trough of PEL 107. The Cabbots prospect is considered prospective because it lies proximal to source rocks which in the nearby Tibouchina-1 well (drilled in 1989) had oil shows in basal Patchawarra sands. The primary objective for Cabbots-1 is the Early Permian Patchawarra Formation. Seismic mapping indicates that the Cabbots structure has approximately 22 m of structural relief and encloses an area of 1.1 km². Estimated mean recoverable reserves of 420,000 barrels of oil and a “fill to spill” potential of 800,000 barrels of recoverable oil are estimated.

In addition to the Patchawarra Formation primary reservoir objectives, secondary objectives are anticipated within the Early Jurassic Poolowanna Formation and in the Late Carboniferous / Early Permian Merrimelia Formation and Tirrawarra Sandstone. Cabbots-1 will take about 13 days to drill and 3 days to evaluate. A total depth of approximately 2440 m is planned. Under the terms of a farmin agreement Magellan Petroleum Corporation is funding Great Artesian’s 60% of the Cabbots-1 drilling costs in order to earn a 30% interest in any subsequent production licence, in the event of a commercial discovery.

Interests in Cabbots-1 are as follows :

Beach Petroleum Limited (Operator)	40.0%
Great Artesian Oil and Gas Limited	30.0%
Magellan Petroleum Corporation	30.0%*

* Subject to farmin

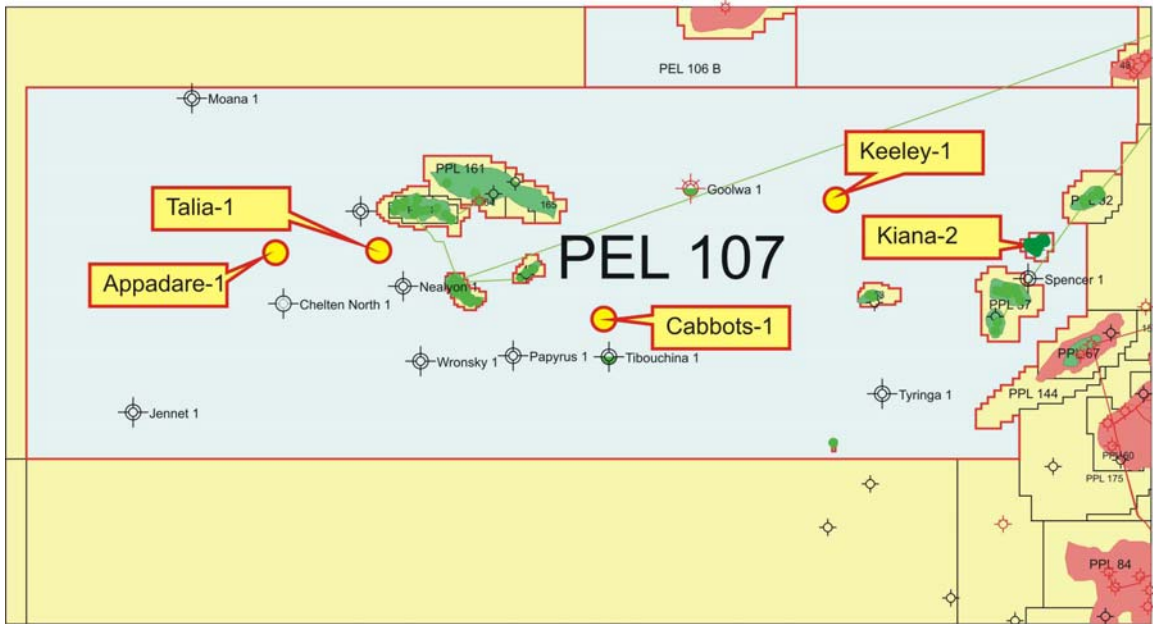
A time-depth chart is included as an illustration of drilling progress.
Further details can be obtained on the company's web site or by contacting Dr Ray Shaw, Managing Director on 02 9929 3383.

Yours faithfully,



Dr Ray Shaw
Managing Director

Attachment : Location Map and time depth curve





Cabbots #1 Time Depth Curve

WELL DETAILS

RIG: Century Rig 3
 GL: 22m
 RT: 27m
 TD: 2440m

CURRENT DEPTH: 854m at 6am

OPERATION: Run and set surface casing

PEL 107
 Cooper Basin SA

Location (Zone 54 GDA94)

Latitude: 28° 11' 22.14"
 Longitude: 139° 40' 37.42"
 Easting: 370 147 m
 Northing: 6 881 099 m

