

## ASX RELEASE

Tellus Resources Ltd is an Australian-based oil, gas and mineral exploration company with licences in Utah, Madagascar, South Australia, Queensland and New South Wales.

### Directors:

Robert Kennedy (*Chairman*)

Carl Dorsch (*Managing Director*)

Neil Young (*Non-Executive Director*)

### Issued Shares:

283,848,295 ordinary shares

### Tellus Resources Ltd

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## COVENANT MONDO WELL SPUDS

Tellus Resources Ltd ("TLU" or "the Company") is pleased to advise that drilling operations on the TWP USG #1 well have commenced ("Spud"). The well is the first in a two well farmin program in the Covenant Mondo conventional oil play located in Sevier County, Utah, USA. TLU has funded 30% of the expected costs to earn a 25% participating (working) interest in the JV.

An operations summary is provided below and will be updated weekly by the Company.



*Rigging up operations at site: TWP USG #1*



## WEEKLY DRILLING REPORT : TWP USG #1

1. All times/dates reported as Utah time = ACSST less 17.5 hrs.
2. Depths reported as :  
     mTVD : true vertical depth, metres;  
     mMD : measured depth, metres

ITEM	DETAIL
Well name	▪ TWP USG #1
Permit	▪ USG Lease, Sevier County, Utah, USA
Drilling Unit	▪ SST Energy Corporation Rig # 54
TLU Working Interest	▪ 25%
Primary Targets	<ul style="list-style-type: none"> <li>▪ Twin Creek Sandstone at 1773 mMD</li> <li>▪ Navajo 1 Sandstone at 1890 mMD</li> <li>▪ Navajo 2 Sandstone at 1960 mMD</li> </ul>
Spud time & date	▪ 13:45 hrs on 2 <sup>nd</sup> November 2014
Target depth (prognosed)	▪ 2256 mTVD, 2267 mMD
Total depth @ end of current week	▪ 288 mTVD (06:00 hrs on 3 Nov 2014)
Total depth @ end of previous week	▪ 0 m
Metres drilled during week	▪ 288 m
Activities during week	<ul style="list-style-type: none"> <li>▪ Pre set 13 3/8" conductor at 32m below GL</li> <li>▪ Move in rig and rig up (move commenced 27 Oct 2014)</li> <li>▪ Spud well at 13:45 hrs 2<sup>nd</sup> November 2014</li> <li>▪ Drill 12 1/4 " surface hole to 288m with surveys (&lt; 2 deg)</li> </ul>
Current activities	▪ Drill 12 1/4 " surface hole
Planned activities	<ul style="list-style-type: none"> <li>▪ Drill ahead in 12 1/4 " hole</li> <li>▪ Prepare to trip to pick up MWD assembly</li> <li>▪ Drill ahead to surface hole TD at 610m</li> <li>▪ Run and cement 9 5/8" surface casing</li> <li>▪ Wait on cement</li> <li>▪ Nipple up BOP's</li> <li>▪ Drill ahead in 8 3/4 " production hole</li> </ul>
Other comments	▪ Estimated days to first target = 15