

13 December 2012

Western Wet Gas Fairway – Coorabie-1 Exploration Well Spuds

- **Coorabie-1 wet gas exploration well spuds**
- **Primary target in the Patchawarra Formation**
- **Drilling expected to take 14-18 days**

Drillsearch Energy Limited (ASX: DLS) is pleased to announce the beginning of a four-well wet gas exploration campaign in PEL 106B which commenced with the spudding of the first well, Coorabie-1, on Thursday, 13 December 2012 at 01:30 hours. Drillsearch holds a 50% interest in PEL 106B and Beach Energy (ASX: BPT) as Operator holds 50%.

The Coorabie-1 wet gas exploration well is located approximately 1.8km south east of the Canunda-1 wet gas discovery and 4.0km south, south east of the recent Coolawang-1 discovery. Its primary target is the intra-formational sands of the Permian Patchawarra Formation. The Toolachee Formation and Tirrawarra Sandstone are considered secondary targets for wet gas. Drilling will be to a total depth of 2,879mRT and is expected to take 14-18 days.

During the drilling of Haslam-1, Coolawang-1 and Admella-1 coal cores were cut to evaluate the unconventional gas potential of the coals. Although no cores are proposed in the current drilling programme, the wells will provide data on the coal extent and nature as well as providing input for this resource evaluation.

Coorabie-1 is estimated to have P10 High-side Gross Recoverable Prospective Resource potential of up to 31.57 BCF sales gas and associated hydrocarbon liquids.

Coorabie-1 Estimated Gross Prospective Resources			
Patchawarra Formation	Best (P50)	Mean	High (P10)
Recoverable Wet Gas (BCF)	8.28	13.53	31.57

Coorabie-1 will be drilled as a conventional vertical well with wireline logging and possible testing planned after the well reaches total depth. The primary target zone in the Patchawarra Formation is expected to be penetrated ten days after spud.

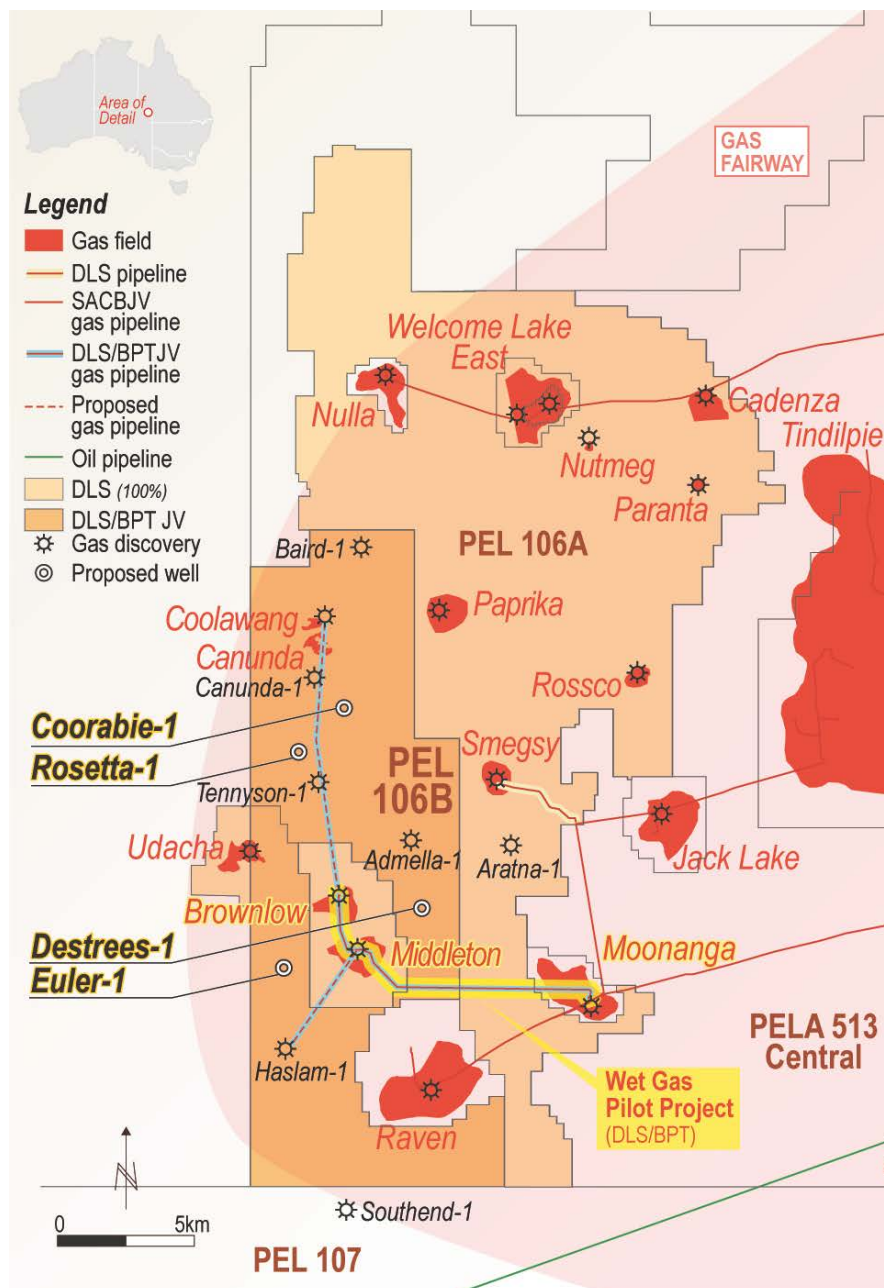
Yours faithfully



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PEL 106B Western Wet Gas Fairway



About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional and unconventional oil and gas projects. Drillsearch has a strategic spread of petroleum exploration and production acreage in Australia's most prolific onshore oil and gas province, the Cooper-Eromanga Basins in South Australia and Queensland. The company's focus is on 'brownfields' exploration where geological risk is reduced and there is access to existing infrastructure, ensuring that any discoveries can be brought into production.

Competent Person Statement

Information on the Reserves and Resources in this release is based on information provided to the company by Beach Energy Ltd as operator of the PEL 106 Joint Ventures and compiled by Mr. David Evans, Chief Technical Officer of Drillsearch who has given his consent as of the date of this release to the inclusion of these statements and the information in the form and the context in which they appear in this release.