

6 March 2013

- Construction of the Bauer to Lycium pipeline completed with additional tie-in and pumping facilities expected to be completed in April 2013
- Commissioning of the Hanson Facility underway
- Inland-Cook exploration permit commitment wells completed

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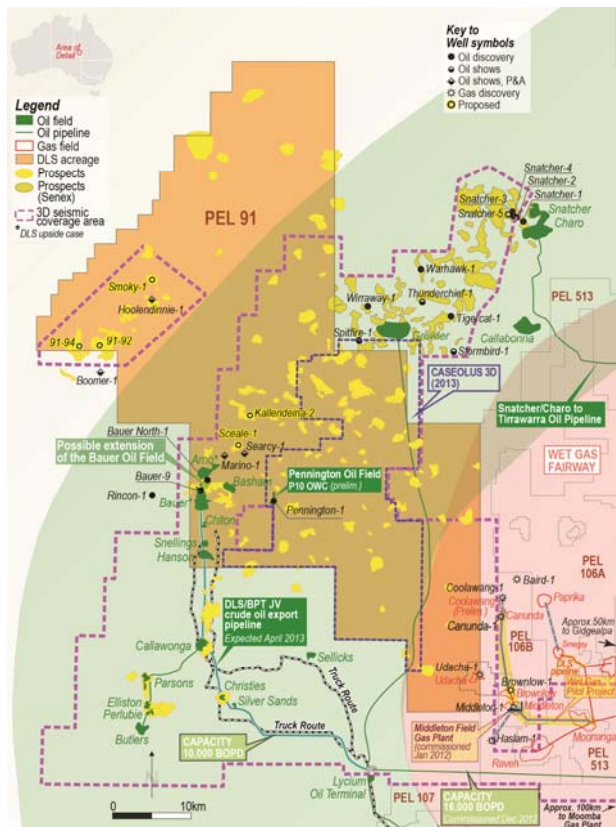
Western Flank Oil Fairway (DLS 60% - Non-operated)

No drilling took place during February 2013.

Field development work in the Bauer Oil Field Complex is ongoing with the completion of hydro-testing and connection of the Bauer-5 through 8 flowlines. The construction of the Bauer to Lycium pipeline, with a total of 47km of pipe was also completed. Additional tie-in and pumping facilities are expected to be completed in April 2013.

Commissioning of the Hanson Facility is also underway.

The Caseolus 3D seismic survey, which covers 485km² of the PEL 91 permit, is underway with 130km² completed at the end of February. Once the Caseolus survey is completed, PEL 91 will be covered by five 3D seismic surveys totalling an area of 1,154km² or 58% of the permit.

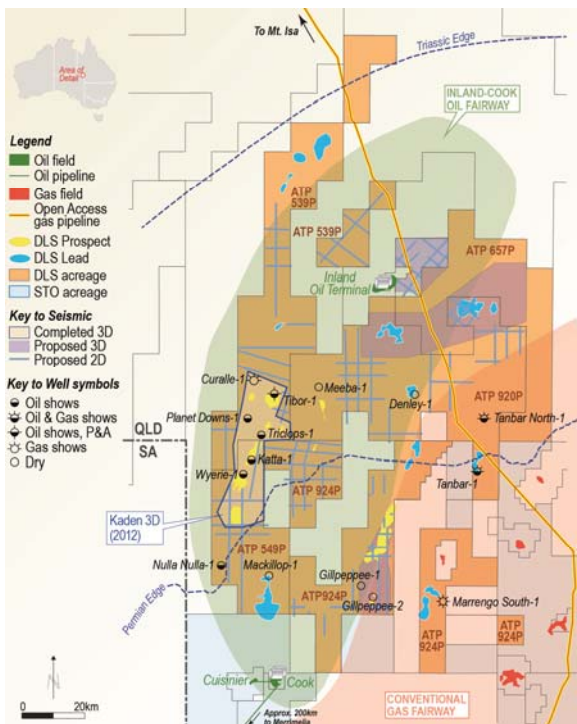


Inland-Cook Oil Fairway (DLS 100% - Operated)

Tibor-1, the second exploration permit commitment well to be drilled in the Inland-Cook Oil Fairway, spudded on 7 February 2013 in ATP 539P. The primary targets of the Tibor-1 well were the Hutton Sandstone and sands of the Birkhead Formation; however, no hydrocarbon shows were encountered over these intervals, with only the secondary target Adori Sandstone having minor hydrocarbon shows. The well was plugged and abandoned after drilling to a total depth of 1,723 metres. The Ensign Rig 918 was released on 23 February 2013.

Regional geological and geophysical studies are ongoing.

No seismic acquisition activity took place during February 2013, however, processing and interpretation of the 2012 Kaden 3D seismic continues. Seismic acquisition planning is underway for the latter part of 2013 for both 2D and 3D seismic. Reprocessing of historical 2D seismic data is being investigated.



Wet Gas Business

Western Wet Gas Project Area (DLS 50-60% - Non-operated)

Drilling activity

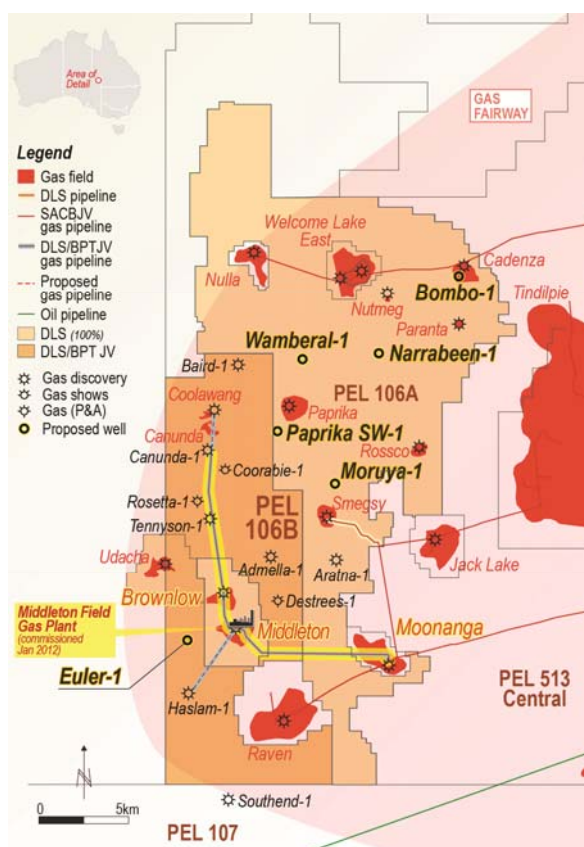
The third well in the four-well exploration campaign in PEL 106B was plugged and abandoned with the rig released on 6 February 2013. The fourth and final well in the program, Euler-1, is scheduled to be drilled in June 2013.

Appraisal and development activity

Maintenance work on the Middleton Gas Plant and gas pipeline were affected during the month in advance of restarting gas production and gas sales to the South Australia Cooper Basin Joint Venture pending the signing of the Gas Sales Agreement.

Seismic activity

No seismic acquisition activity took place during February 2013; however, ongoing interpretation continues.



Western Wet Gas Project Area (DLS 100% - Operated)

Drilling activity

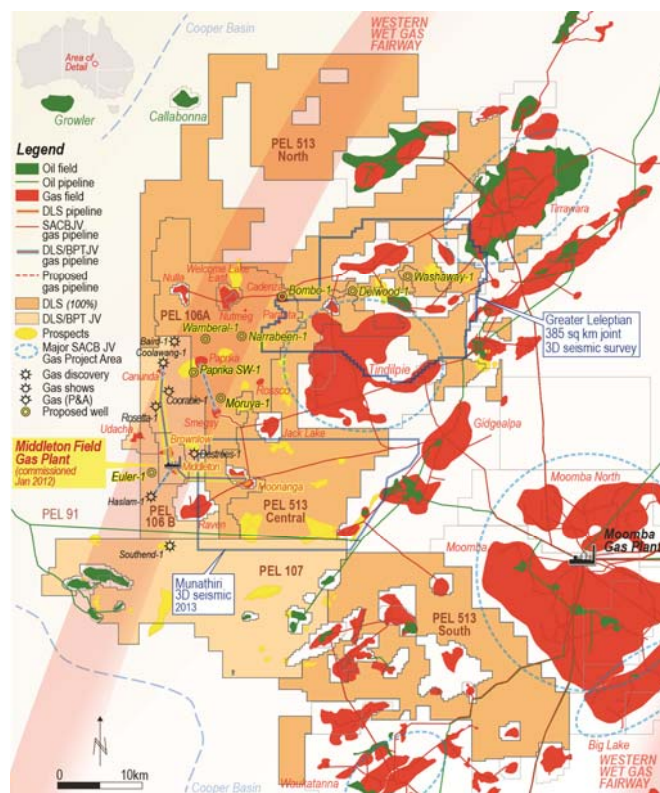
No drilling took place during February 2013.

Appraisal and development activity

Site preparation continued for the PEL 106A drilling campaign. Two well locations have been identified with the first well, Wamberal-1, expected to spud in March 2013 and the second well thereafter.

Seismic activity

No seismic acquisition activity took place during February 2013; however, ongoing interpretation continues. Planning for the Munathiri 3D seismic survey is ongoing and due to commence in March 2013.



Northern Wet Gas Project Area (DLS 60-100% - Operated)

Drilling activity

No drilling took place during February 2013.

Appraisal and development activity

No appraisal and development activity took place during February 2013.

Seismic activity

Seismic acquisition commenced on the Coolabah 3D seismic survey which will cover PEL 101 (Drillsearch 60%) in its entirety. Just over 75% of the acquisition program was completed as of 24 February 2013. The acquisition is expected to be completed by the second week of March 2013.

Drillsearch is currently seeking consent from neighbours to lay ground control for a LiDAR survey. Planning for a start-up meeting has commenced with WesternGeco for processing of the seismic.

Unconventional Business

Central Unconventional Fairway (DLS 40% - Operated)

Drilling activity

No drilling took place during February 2013; however, drilling is expected to begin in mid-2013.

Appraisal and development activity

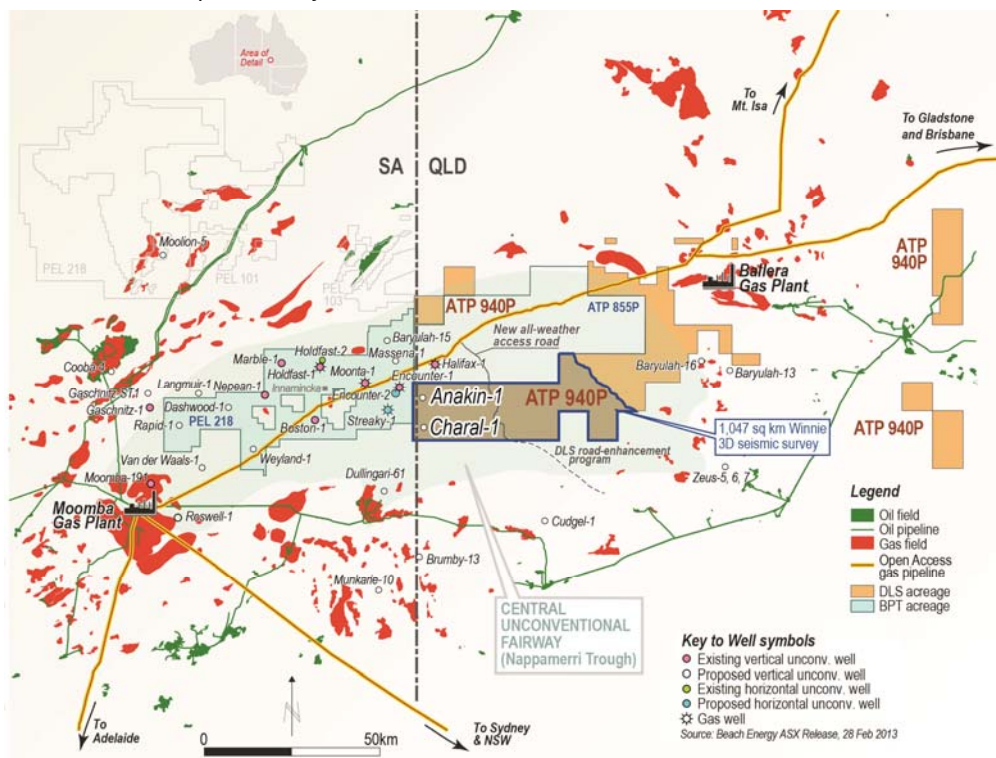
Drillsearch and Joint Venture partner QGC have agreed on well locations for the first two wells in ATP 940P. The wells, Anakin-1 and Charal-1, have been based on 3D seismic to target multi-layered tight gas Patchawarra Sandstone and REM shale gas. Charal-1 is due to spud in early June 2013

and Anakin-1 in September 2013.

Field activities have commenced with cultural heritage clearance received. Other activities include environmental approvals, construction of a camp site, building of an access road and construction of a well pad lease.

Seismic activity

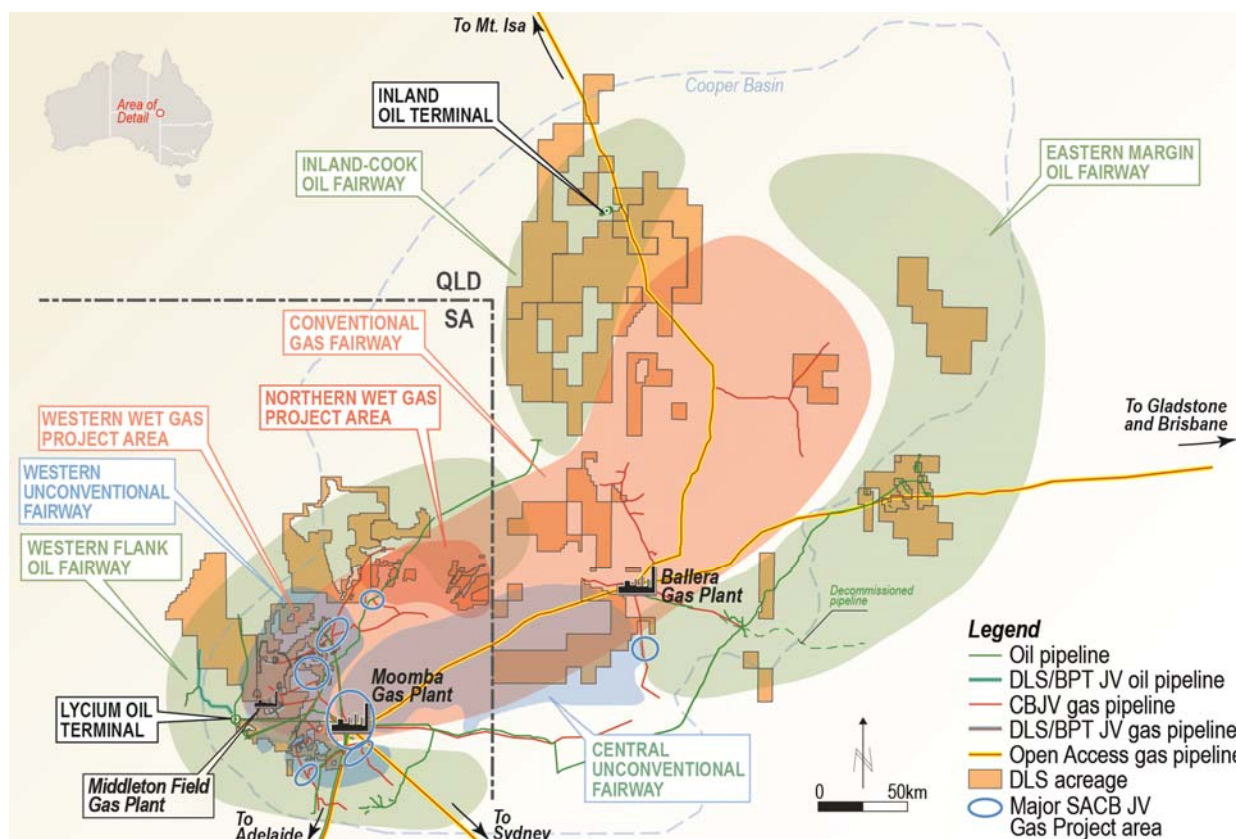
No seismic acquisition activity took place during February 2013; however, ongoing interpretation of the Winnie 3D seismic survey continues with the aim of optimising future well locations.



Monthly drilling summary

Well	Participants	Progress & Summary		Primary Targets
Triclops - 1	DLS* 100%	Spud Date	Monday, 14 January 2013	Hutton Sandstone
ATP 539P		Rig Release:	Friday, 01 February 2013	
Oil Business		Depth:	1,926 m (TD)	
Inland-Cook Oil Fairway		Operation:	Well is plugged and abandoned	
C/E Basin, QLD		Progress:	1,926 m	
Destrees - 1	DLS 50%	Spud Date	Monday, 21 January 2013	Patchawarra Formation
PEL 106 B	BPT* 50%	Rig Release:	Wednesday, 06 February 2013	
Wet Gas Business		Depth:	3,006 m (TD)	
Western Cooper Wet Gas		Operation:	Well is plugged and abandoned	
C/E Basin, SA		Progress:	3,006 m	
Tibor - 1	DLS* 100%	Spud Date	Thursday, 7 February 2013	Hutton Sandstone
ATP 539P		Rig Release:	Saturday, 23 February 2013	
Oil Business		Depth:	1,723 m (TD)	
Inland-Cook Oil Fairway		Operation:	Well is plugged and abandoned	
C/E Basin, QLD		Progress:	1,723 m	

* indicates Operator of permit



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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

Any reference to Reserves and Resources in this release follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE - PRMS). The Reserves estimates used during this release were compiled by Mr David Evans, Chief Technical Officer of Drillsearch Energy Ltd, who is a qualified person as defined under ASX Listing Rule 5.11 and has consented to the use of the Reserves figures in the form and context in which they appear in this presentation.