

4 April 2013

Western Flank Oil Multi-Well Exploration Program Commences

- PEL 91 JV begins a four-well exploration program targeting between 4 – 9 mmbbls
- Kalladeina-2, targeting new oil play trend north of Bauer Oil Field
- Smoky-1 targeting oil prospectivity of north-western Western Flank Oil Fairway
- 3D Seismic adding to the oil prospect exploration inventory

Drillsearch Energy Limited (ASX: DLS) is pleased to announce the commencement of a four-well exploration drilling program in the Western Flank Oil Fairway in PEL 91 where Drillsearch holds 60% interest in PEL 91 and Beach Energy as Operator holds 40%.

Four well program kicks off

The exploration program includes prospects covered by both the Aquilius and Limbatus 3D seismic surveys which were completed in 2011 and 2012. Interpretation of these surveys has generated a substantial prospect inventory for further exploration as part of the FY 2013 - 2014 Western Flank Oil Fairway exploration programs.

The drilling program will target, on a combined basis over four prospects (see map over page), an unrisks gross recoverable prospective oil potential of between 4 million barrels (mean estimate) to 9 million barrels (high estimate) recoverable oil. The potential unrisks recoverable resources for each of the prospects are summarised in the table below.

PEL 91 Drilling Program				
Prospect	Unrisks Recoverable		Primary Objective	Secondary Objective
	Mean (bbls)	High (bbls)		
Kalladeina-2	1,020,000	2,260,000	Namur, McKinlay	Birkhead, Hutton & Poolawanna
Smoky-1	1,510,000	3,370,000	Namur, McKinlay	Birkhead, Hutton & Poolawanna
Congoy-1	730,000	1,510,000	Namur, McKinlay	Birkhead, Hutton & Poolawanna
Sceale-1	880,000	1,910,000	Namur, McKinlay	Birkhead, Hutton & Poolawanna

New potential play trend north of Bauer

The four-well program kicked off with the spudding of Kalladeina-2 on Monday, 1 April 2013. Kalladeina-2 is located 12.4 km northeast of the successful Bauer oil discovery; updip of and 170 metres from the Kalladeina-1 well which was drilled in 1967.

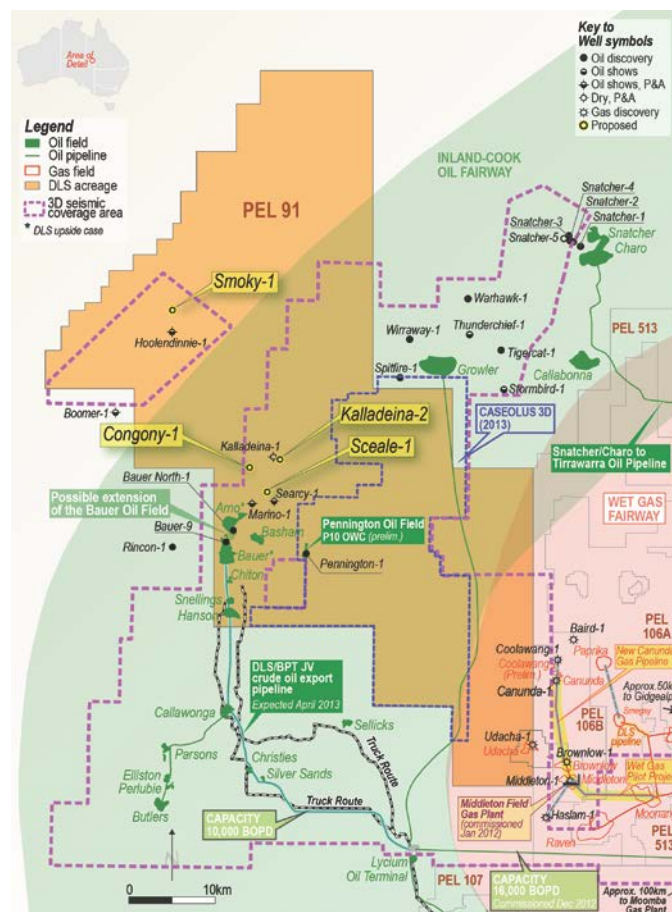
Reassessment of Kalladeina-1's 1967 log data suggests possible pay encountered may have been missed. Given the new findings, coupled with new mapping based on 3D seismic data success at Kalladeina-2 could lead to a reassessment of the surrounding prospects and could open up a new play trend north of the Bauer oil field.

Oil Prospects in North West Portion of PEL 91 targeted

The second well in the program, Smoky-1, is located 28 km north-northwest of the Bauer oil field and is covered by the Limbatus 3D seismic survey.

Smoky-1 is a large structural prospect located on a regional structural high which is potentially a focal point for oil migration in the Western Flank Oil Fairway. Success at Smoky-1 will have significant implication for the overall prospectivity of the north western portion of PEL 91.

Both the third and fourth wells in the program, Congony-1 and Sceale-1, will be derisked dependent upon a positive result from Kalladeina-2 as this will demonstrate oil charge in this part of the permit.



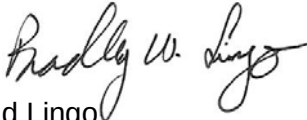
Continuing 3D Seismic adding to the oil prospect exploration inventory

The PEL 91 Joint Venture is also currently undertaking the 485 km² Caseolus 3D seismic survey which is scheduled for completion in June 2013. Upon completion of the Caseolus 3D, the PEL 91 Joint Venture will have 3D seismic covering 1,154km² or 58% of the permit, further upgrading and adding to the oil prospect exploration inventory.

In addition, the PEL 91 Joint Venture is in the process of completing seismic attribute analysis to high-grade the Birkhead prospect inventory following the successful Birkhead discovery in the Bauer-5

appraisal/development well. Subject to completing this seismic analysis, the PEL 91 Joint Venture program also intends to include in the upcoming program at least one exploration well in a prospect with the Birkhead Formation as the primary target.

Yours faithfully



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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

Information on the Reserves and Resources in this release is based on information provided to the company by Beach Energy Limited as operator of the PEL 91 Joint Venture 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.