

19 April 2013

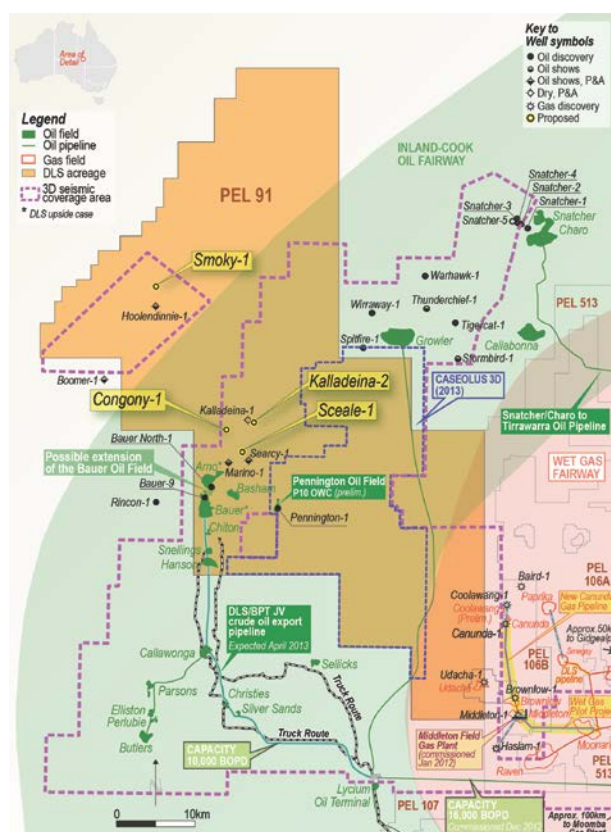
Oil Business – Bauer Oil Export Pipeline Completion

- Bauer-to-Lycium Oil Export Pipeline Commissioning Commencing
- Pipeline and production facilities to increase PEL 91 production to 10,000 BOPD
- Drillsearch oil production to increase to 6,000 BOPD
- Oil pipeline protects oil production from weather-related interruptions
- 3D seismic coverage generates extensive exploration prospect portfolio

Drillsearch Energy Limited (ASX: DLS) is pleased to announce that Beach Energy Ltd (operator) of the PEL 91 Joint Venture has advised that the commissioning of the Bauer-to-Lycium Crude Oil Pipeline is commencing next week. The PEL 91 Joint Venture is comprised of Drillsearch (60%) and Beach Energy as Operator (40%).

Oil Export Pipeline Commissioning

Beach as Operator of the PEL 91 Joint Venture has advised that it will commence commissioning of the Bauer-to-Lycium oil export pipeline (see map below) during the week starting Monday, 22 April 2013.



The initial installed capacity of the oil export pipeline is 10,000 barrels of oil per day. Filling of the pipeline is scheduled to commence late in the week.

Ramp up to full operation of field production facilities and pipeline oil exports is expected to reach approximately 10,000 barrels of gross oil per day by the first week of May 2013.

Since 31 December 2012, Drillsearch's net oil production from PEL 91 has increased from approximately 2,200 barrels of oil per day to a current rate of approximately 3,200 barrels of oil per day. Current oil production has been limited by oil export trucking capacity.

With the commissioning of the pipeline, Drillsearch's net oil production is expected to increase to approximately 6,000 barrels per day and will be substantially protected from weather-related interruptions.

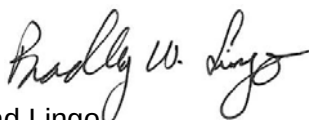
Managing Director Brad Lingo stated "This is a tremendous milestone for Drillsearch. With our oil exploration success in the Western Flank Oil Fairway over the last three years, we will have taken Drillsearch from less than 200 barrels of oil per day to 6,000 barrels per day with the completion and commission of the Bauer-to-Lycium oil export pipeline."

Mr Lingo continued "With our Joint Venture partner, Beach Energy, we have delivered this with tremendous drilling results delivering a run of 17 out of 19 successful oil exploration, appraisal and development wells with only two P&A wells since August 2009. Our efforts have delivered a 100% success rate on appraisal and development drilling with 8 successful wells back to back in 2012 and success of 8 out of 10 oil exploration wells."

Mr Lingo stated "These results have delivered 2P Reserves of over 8 million barrels net to Drillsearch substantially due to the Bauer Oil Field, the largest oil discovery in the Western Flank Oil Fairway."

"Investment in 3D seismic has been the key to this success and provides Drillsearch with an extensive portfolio of high-value McKinlay and Namur oil prospects. This seismic data has provided the company with an incredible platform for the company to continue the strong growth in our Oil Business in the Western Flank Oil Fairway."

Yours faithfully



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Or visit the website www.drillsearch.com.au and register for email alerts

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.