

April 2013 Drilling and Operations Report 2 May 2013

Highlights:

- McKinlay-Namur Oil discovery at Kalladeina-2 in PEL 91, extending the oil play trend north of the Bauer Oil Field
- Bauer-to-Lycium export oil pipeline operational
- 3D seismic acquisition and processing continuing

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Oil Business

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

Drilling activity

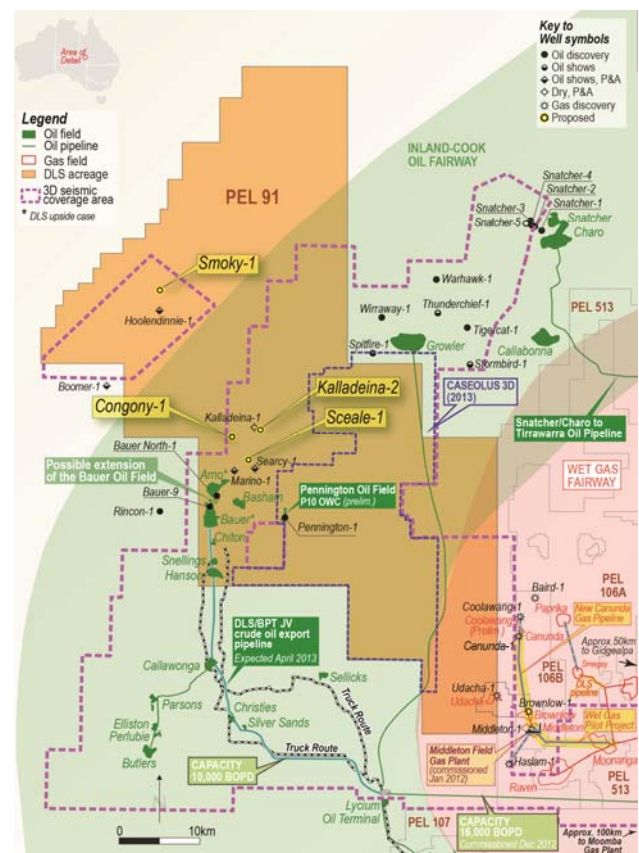
The PEL 91 Joint Venture commenced a four-well exploration drilling program with the spudding of the Kalladeina-2 well, targeting an extension of the oil play trend north of the Bauer Oil Field. Wireline logs and a drill stem test confirmed 5m of net oil pay across the McKinlay-Namur interval, resulting in Kalladeina-2 being cased and suspended as a new oil discovery and future oil producer. The company estimates that the gross 2P Reserves for Kalladeina-2 are approximately 400,000 bbls. The second well in the program, Smoky-1, spudded on 28 April 2013 and is currently drilling ahead to its primary target in the Namur Sandstone. The estimated prospect size for Smoky-1 is 960,000 bbls (Mean estimate).

Appraisal and development activity

Beach Energy, as Operator of the PEL 91 Joint Venture, has advised that the Bauer-to-Lycium oil Pipeline commissioning has been completed. Commercial oil flows began on 29 April 2013 from the Bauer Oil Field to the gathering system at Lycium and then onto the Moomba Gas Plant. With the completion of the pipeline, oil production from the new oil discoveries in PEL 91 is expected to increase to 10,000 BOPD (6,000 BOPD net to Drillsearch).

Seismic activity

The Irus 3D seismic survey processing is ongoing and is estimated to be completed by the end of June 2013. As at 29 April 2013, as part of the Caseolus 3D seismic survey which covers 485km² of the PEL 91 permit, 50% of recording has been completed. It is expected that seismic acquisition will be completed by early June 2013 followed by approximately five months of processing.



Western Flank Oil Fairway – PEL 91

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

Drilling activity

No drilling took place during April 2013.

Appraisal and development activity

Regional geological and geophysical studies are ongoing.

Seismic activity

No seismic acquisition activity took place during April 2013; however, processing and interpretation of the 2012 Kaden 3D seismic continues. Regional seismic reprocessing commenced and is expected to take 4-6 months to complete.

Wet Gas Business

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

Drilling activity

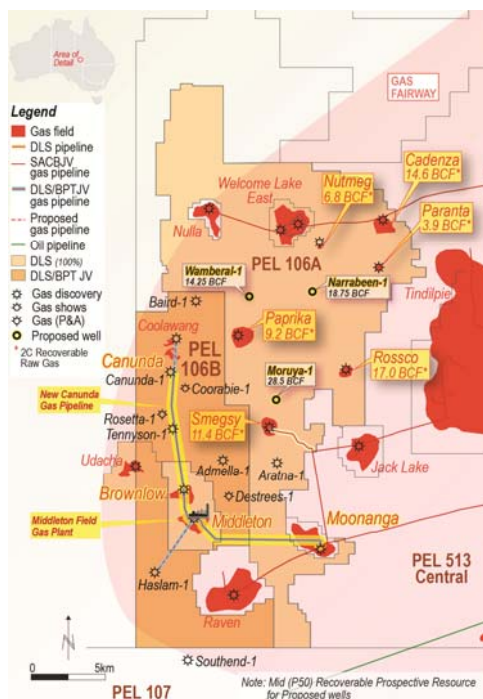
No drilling took place during April 2013.

Appraisal and development activity

No appraisal and development activity took place during April 2013.

Seismic activity

Processing of the Irus 3D seismic survey and reprocessing of the Spinel 3D seismic survey are ongoing.



Western Wet Gas Project Area – PEL 106 and 107

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

Drilling activity

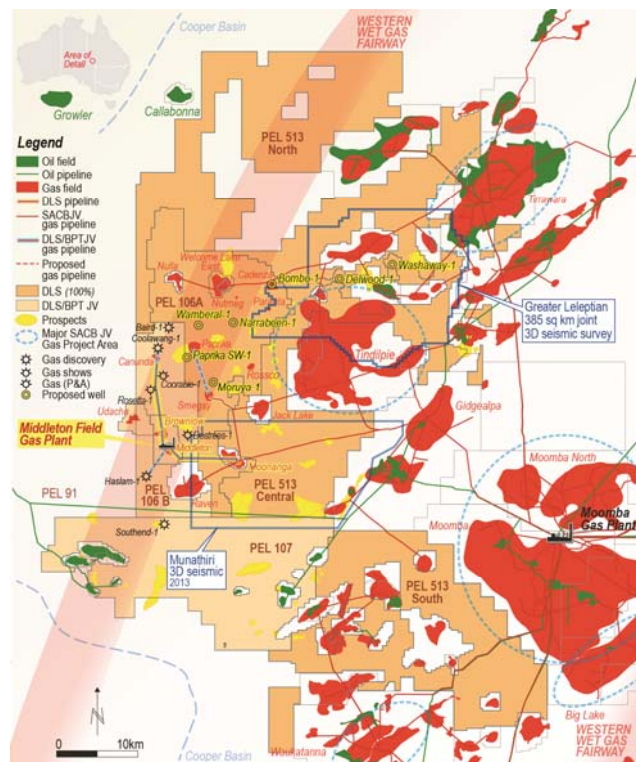
Wamberal-1 spudded on, 3 April 2013 and was drilled to 2,912m. The well encountered water bearing sands within the Patchawarra Formation and data acquired during drilling indicates the sands are of good quality if found to be gas bearing elsewhere. The well was plugged and abandoned with the rig released on 24 April 2013. The next well in the program, Moruya-1, is due to spud in the first week of May 2013. The estimated prospect size for Moruya-1 is 33 BCF (Mean estimate).

Appraisal and development activity

No appraisal and development activity took place during April 2013.

Seismic activity

The PEL 513 Munathiri 3D seismic survey acquisition was completed successfully and without incident on 22 April 2013 with processing and interpretation to follow.



Western Wet Gas Project Area

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

Drilling activity

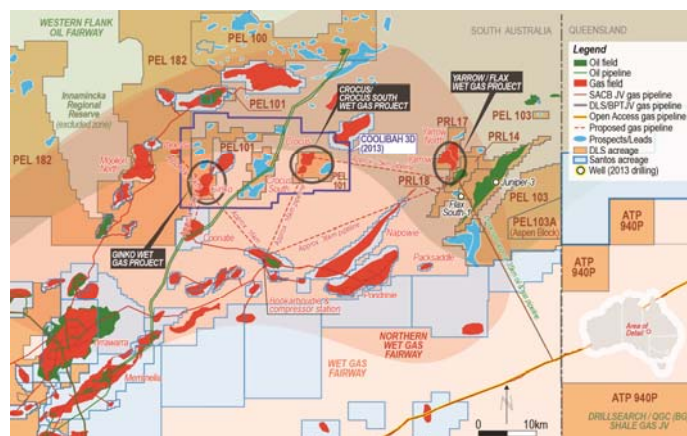
No drilling took place during April 2013.

Appraisal and development activity

No appraisal and development activity took place during April 2013.

Seismic activity

Processing of the Coolabah 3D seismic survey, which covers PEL 101 (Drillsearch 60%), continues and is expected to be completed at the end of August 2013.



Northern Wet Gas Project Area

Unconventional Business

Central Unconventional Fairway (DLS 40% - Operated)

Drilling activity

No drilling took place during April 2013.

Appraisal and development activity

Preparations for the move of Weatherford rig 826 to APT 940P continues. Site preparations are continuing with a test water bore drilled on the Anakin-1 location, which is currently in the process of being completed in order to be put into production.

Seismic activity

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
Kalladeina - 2	DLS 60%	Spud Date	Friday, 29 March 2013	Namur Sandstone
PEL 91	BPT* 40%	Rig Release:	Monday, 8 April 2013	
Oil Business		Depth:	1,992 m (TD)	
Western Flank Oil		Operation:	Well is cased and suspended	
C/E Basin, SA		Progress:	1,922 m	
Wamberal 1	DLS* 100%	Spud Date	Wednesday, 3 April 2013	Patchawarra Formation
PEL 106 A		Rig Release:	Wednesday, 24 April 2013	
Wet Gas Business		Depth:	2,912 m (TD)	
Western Cooper Wet Gas		Operation:	Well is plugged and abandoned	
C/E Basin, SA		Progress:	2,912 m	
Smokey - 1	DLS 60%	Spud Date	Sunday, 28 April 2013	Namur Sandstone
PEL 91	BPT* 40%	Rig Release:	Friday, 10 May 2013 (Predicted)	
Oil Business		Depth:	1,780 m (Prelim)	
Western Flank Oil		Operation:	Current Drilling Operations	
C/E Basin, SA		Progress:	636 m	

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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 Limited, 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.