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# DRILLSEARCH AND SANTOS FORMALISE JOINT VENTURE

**Drillsearch Energy Limited (ASX: DLS**) ("Company"**)** is pleased to announce the satisfaction of the mutual due diligence conditions to the series of binding transactions with Santos Limited (Santos) as announced on 4 July 2013. The transactions aim to accelerate Western Cooper Wet Gas commercialisation and expand Drillsearch's Cooper Basin oil Reserves and production.

Drillsearch believes the transactions with Santos deliver a material result for the Company. The transactions offer an attractive outcome for the shareholders of both companies and builds on the productive relationship that Drillsearch has developed with Santos over the past several years.

Key features of the series of transactions include the following:

- Santos has acquired 60% interest in Western Cooper Wet Gas Project, namely permits PEL 106A and PEL 513
- Santos has committed to fund work program valued by Drillsearch at $100-120 million to accelerate wet gas commercialisation
- Drillsearch has secured a firm Gas Sales Agreement for Western Cooper Wet Gas production with both fixed and oil-linked gas pricing
- Drillsearch has secured additional Cooper Basin oil Reserves and production by increasing its interest in Tintaburra Block to 40% (from 11%)
- Santos has purchased Drillsearch's 25.8% interest in PEL 100 and is farming in to a 33% interest in Inland-Cook Oil Fairway ATP 549P West

Yours faithfully,

Bradley W. Lingo

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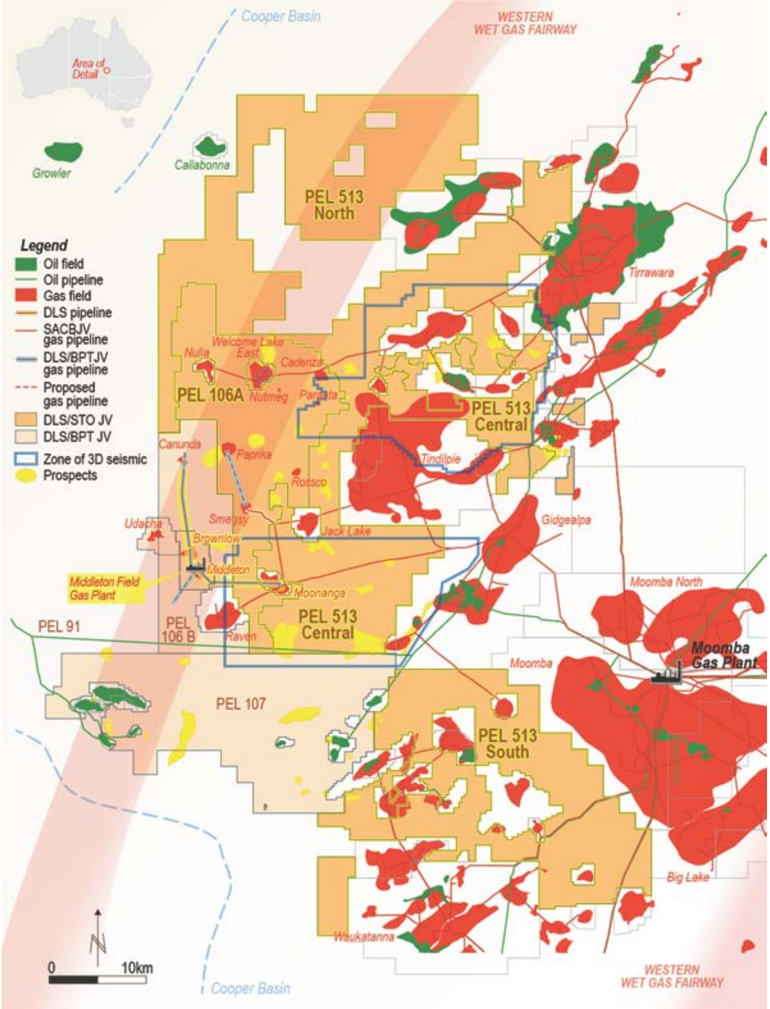
## WESTERN COOPER WET GAS PROJECT – PEL 106A AND PEL 513




## TINTABURRA BLOCK JV (EASTERN MARGIN OIL FAIRWAY)