

7 May 2014

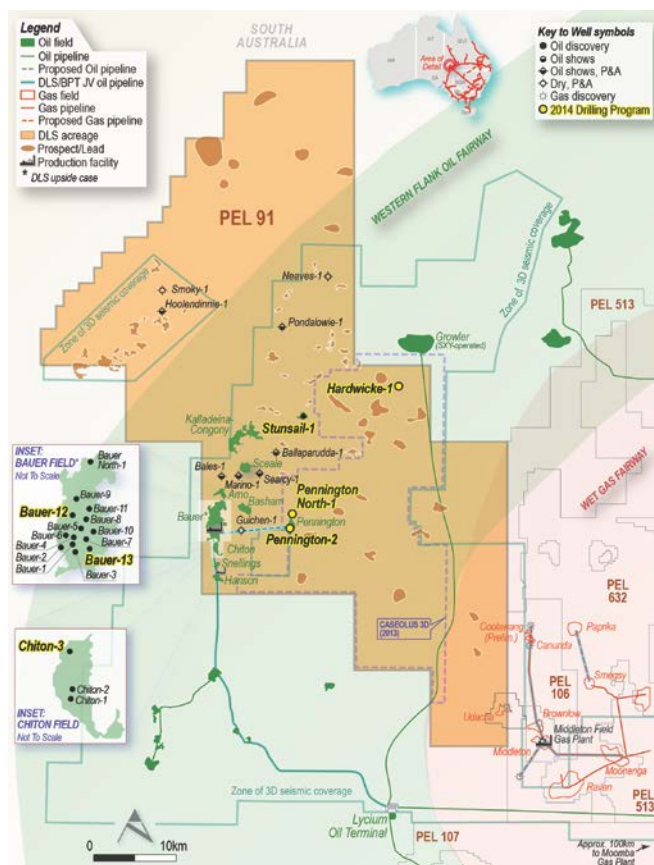
April Drilling Report

Oil Business

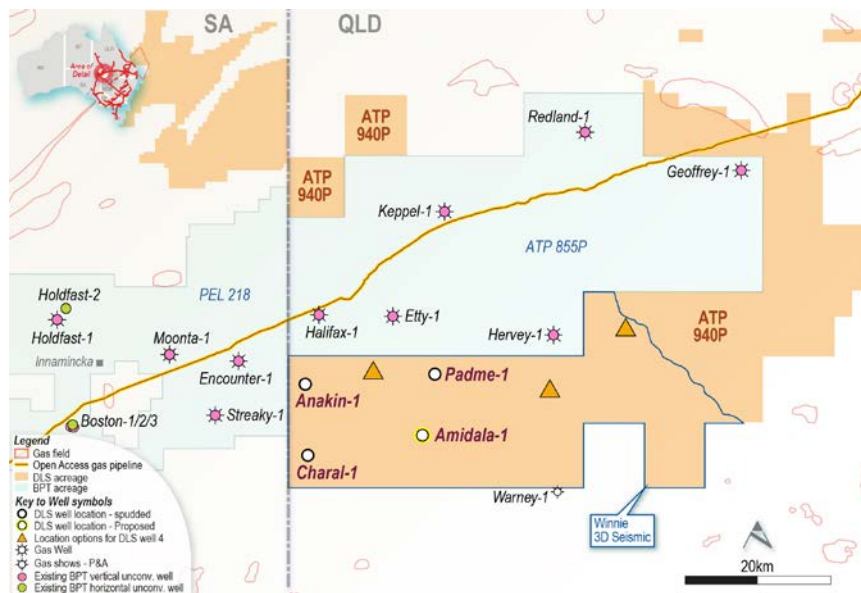
Western Flank Oil Fairway PEL 91

In PEL 91 (Drillsearch 60%, Beach 40% and Operator) Hardwicke-1, an exploration well targeting the McKinlay/Namur Sandstone reservoir, was drilled to a total depth of 2,150 metres. The well encountered a water-bearing McKinlay/Namur interval along with strong shows in the Birkhead Formation, which was the secondary target. A drill stem test (DST) was conducted over the lower Birkhead interval but only recovered drilling fluid from the drill string, indicating minimal influx. Although the shows observed are encouraging for future exploration in the area, there was insufficient hydrocarbon pay in the well and it was subsequently plugged and abandoned.

Pennington-2, a deviated appraisal well located approximately 250 metres to the south west of Pennington-1, spudded on the 29 April 2014. The well encountered good oil shows in the McKinlay/Namur interval with a gross column height of 5 metres in the McKinlay and 7 metres in the Namur. Shows were also observed in the lower Birkhead Formation but over a poor net-to-gross section which did not justify a DST. Based on the excellent results seen in the primary McKinlay/Namur target, the well is being cased and suspended as a future oil producer. Pennington-2 was the first well of a two-well campaign to appraise the Pennington oil discovery. Pennington North-1, a near-field exploration well located 900 metres north of Pennington-1, will be the next well in the campaign.



Unconventional Business



Central Unconventional Fairway ATP 940P

The Char

Monthly Drilling Summary

Oil Wells	Participants	Progress & Summary		Primary Target
Hardwicke - 1	DLS 60%	Spud Date:	Sunday, 6 April 2014	Namur Sandstone
PEL 91	BPT* 40%	Rig Release:	Tuesday, 22 April 2014	
Oil Business		Depth:	2, 150 m (TD)	
Western Flank Oil		Operation:	P & A	
C/E Basin, SA		Progress:	2, 150 m (TD)	
Pennington - 2	DLS 60%	Spud Date:	Tuesday, 29 April 2014	Namur Sandstone
PEL 91	BPT* 40%	Rig Release:	Saturday, 10 May 2014 (Proposed)	
Oil Business		Depth:	1, 820 m (TD)	
Western Flank Oil		Operation:	Logging Operations	
C/E Basin, SA		Progress:	1, 820 m (TD)	
Unconventional Wells	Participants	Progress & Summary		Primary Target
Charal - 1	DLS* 40%	Re-entered:	Monday, 24 February 2014	Roseneath / Murteree Shale
ATP 940P	QGC 60%	Rig Release:	Saturday, 10 May 2014 (Proposed)	
Unconventional Business		Depth:	3, 866 m (TD)	
Central Unconventional		Operation:	Production Casing	
C/E Basin, QLD		Progress:	3, 866 m (TD)	

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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