

October Drilling Report

- **Oil Business**
 - Maroochydore-1 well plugged and abandoned in the Inland-Cook Oil Fairway
- **Unconventional Business**
 - Washington-1 successfully stimulated across five stages
 - Measurable flow of gas to surface achieved; test to last for 28 days
- **Drillsearch free carried on both Washington-1 and Maroochydore-1**

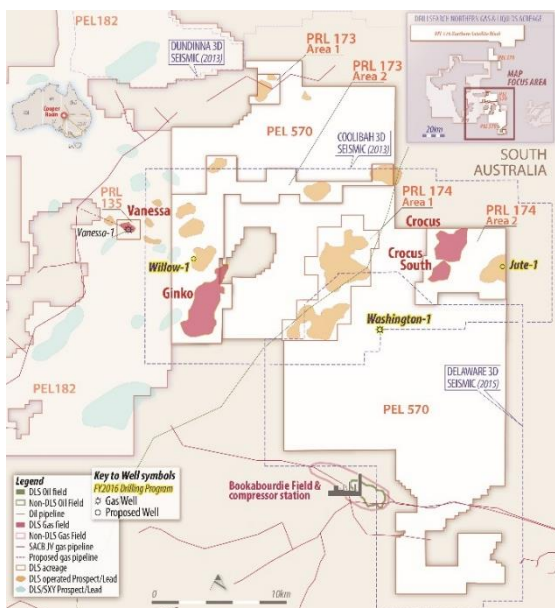
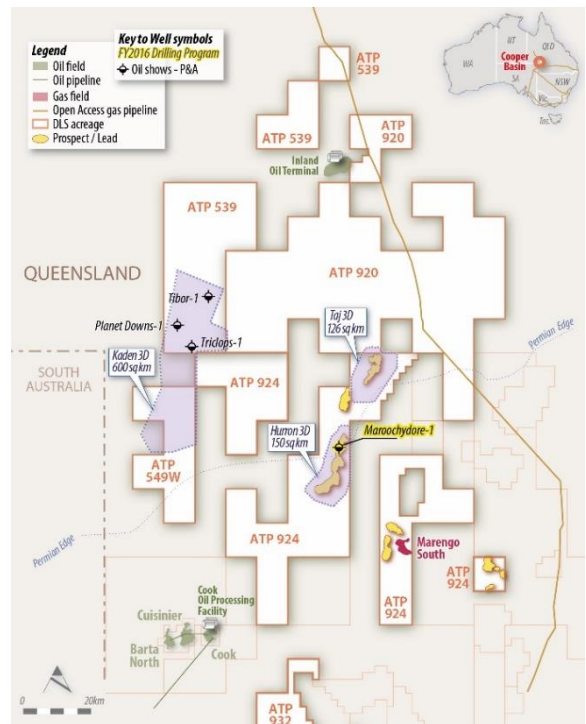
Oil Business

Maroochydore-1 is an oil exploration well located in ATP 924 in the Inland-Cook Oil Fairway in Southwest Queensland.

Maroochydore-1 was drilled to test a four-way closure situated on a large anticline. The Jurassic Hutton Sandstone was the primary oil target, with secondary targets in other Cretaceous/Jurassic sandstones. Maroochydore-1 reached a total depth of 2,874 metres on 23 October 2015. Oil and gas shows were encountered at the Top Hutton Sandstone, however wireline logs indicated the sands were water saturated. The well was consequently plugged and abandoned.

A large amount of data has been acquired in the process of drilling Maroochydore-1, and this will be used to improve Drillsearch’s understanding of the broader ATP 924 permit, as well as being incorporated into the company’s broader regional prospectivity model.

Maroochydore-1 was drilled by Beach Energy under the terms of the farm-in agreement, whereby Beach may earn a 45% interest in the permit. Drillsearch’s share of costs was carried by Beach.



Unconventional Business

The Washington-1 unconventional exploration well was drilled to total depth of 3,660 metres in early October with elevated gas shows encountered across the Toolachee, Epsilon and Patchawarra Formations (Drillsearch 47.5%; Santos 35% and Operator; Sundance Energy 17.5%).

Based on these results, the joint venture proceeded to test the well with hydraulic stimulation across five stages in the Toolachee, Epsilon and Patchawarra Formations. Flow back started on 21 October 2015 with measurable gas flow to surface achieved on 28 October 2015. The test is expected to last for 28 days.

Drillsearch is free carried for the drilling and testing of Washington-1.

Monthly Drilling Summary

As at 3 November 2015

Well	Participants	Progress & Summary	Primary Target	Secondary Targets
Oil Wells				
Maroochydhore - 1	DLS* 55.0%	Spud Date: Monday, 5 October 2015	Hutton Sandstone	Nappamerri Group Poolowanna Formation Namur Sandstone Murta Formation
ATP 924	BPT^ 45.0%	Rig Release: Tuesday, 3 November 2015		
Oil Business		Depth: 2,874 m (TD)		
Inland-Cook C/E Basin, QLD		Operation: Plugged and Abandoned Progress: 2,874 m (TD)		
Unconventional Wells				
Washington - 1	DLS 47.5%	Spud Date: Monday, 24 August 2015	Toolachee, Epsilon and Patchawarra Permian Source Rocks	
PEL 570	STO* 35.0%	Rig Release: Thursday, 1 October 2015		
Unconventional Business	SEA 17.5%	Depth: 3,660 m (TD)		
Patchawarra & Arrabury Troughs C/E Basin, SA		Operation: Cased & Suspended Progress: 3,660 m (TD)		

* Indicates operator.

^ The well is being drilled by Beach under the terms of the farm-in arrangements where Beach may earn a 45% interest.

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