

5 May 2010

Western Cooper Wet Gas Project Update

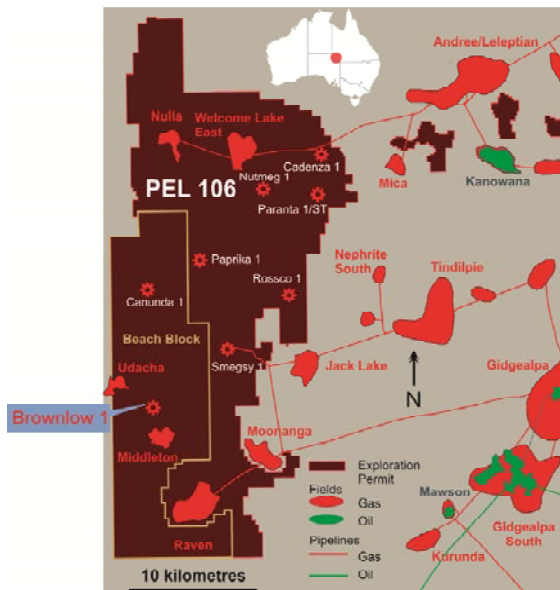
Brownlow Wet Gas Discovery Extended Production Test Commences

Drillsearch Energy Ltd (ASX: DLS) is pleased to announce that the extended production test for the Brownlow Wet Gas Discovery has commenced and was sampled at a rate of 10 million cubic feet of gas /day through a 24/64" inch choke. The well is also producing significant gas condensate at a rate of 120 barrels of condensate per day. After sampling the well has been opened up and is currently flowing 18 MMscf/d through a 1" inch choke.



On discovery, the Brownlow-1 exploration well confirmed gas pay in a 7 metre thick sand in the Permian mid-Patchawarra Formation. Pressure data taken at the time indicated a total gas column up to 30 metres in height. The purpose of the extended production test is to help confirm the overall potential gas resources within the discovery, the quality of the reservoir sands and the long-term flow and deliverability of the discovery. Condensate production from the test will be recovered and sold via the Moomba oil terminal facilities.

The Brownlow Wet Gas Discovery is located in PEL 106 Beach Farmin Block (see map below) and was drilled by Beach Energy Ltd in November 2008 as part of their farmin work obligations. These farmin obligations were completed as of July 2009.



The Brownlow Wet Gas Discovery is located approximately 55 km NW of Moomba, 6.3 km NW of the Raven Wet Gas Field and 2 km north of the Middleton Wet Gas Discovery. Both the Raven and Middleton-1 wells flowed wet gas at high rates. On extended production test Middleton-1 flowed at rates of 12.4 million cubic feet and 115 barrels of condensate per day on extended production testing.

Drillsearch and Beach will also conduct an extended production test on the Canunda Wet Gas Discovery located 11 km north of the Brownlow Wet Gas Discovery.

Significantly, the Brownlow Wet Gas Discovery has the potential to be a large stratigraphic trap, with 3-way dip closure. Stratigraphic traps are, by their nature elusive and difficult to identify, but represent an important new play concept for oil and gas discoveries in the Cooper Basin.

In PEL 106B Beach Farmin Block and the adjacent 100% DLS-held PEL 106A, Drillsearch and Beach have identified over 20 prospects containing these stratigraphic traps representing a prospective resource (Best Case) potential of up to 200 BCF sales gas and 8 mmbbls of condensate as previously detailed in the company's ASX release of 27 October 2009 (the resource estimates contained in this ASX release are supported by an independent review provided by Gaffney, Cline & Associates - the "GCA Report").

PEL 106 Beach Farmin Block is held 50% Drillsearch and 50% Beach as operator. Drillsearch holds the gas marketing rights for the PEL 106 Beach Farmin Block.

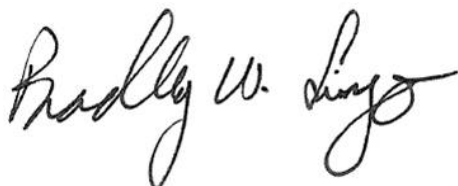
Managing Director Brad Lingo stated "With the successes we have had with Beach Petroleum in PEL 106B Beach Farmin Block we are looking to significantly expand our drilling activity in this area as soon as the flooding subsides and weather permits. We are actively working up multiple new drilling locations both in the Beach Farmin Block which we are keen to discuss with Beach and in the Drillsearch 100%-held PEL 106A area."

"With the results achieved at Middleton, Udacha and Brownlow wet gas discoveries so far and the adjacent results in the Raven Wet Gas Field we believe we hold a significant position in a Western Flank Wet Gas Fairway which can anchor significant new wet gas developments. We have already

completed a significant gas commercialisation study with Gaffney, Cline & Associates that has outlined a number of attractive development options which we are keen to progress.”

“The commencement of the Brownlow Wet Gas Discovery extended production test is a major step forward towards progressing these developments. We will be following up on the Brownlow test with extended production testing at the Canunda Wet Gas Discovery which if successful will help extend this play further north from the Raven-Middleton-Brownlow-Udacha wet gas play fairway.”

For further information please contact:



Brad Lingo
 Managing Director
 P+612 9241 4440
admin@drillsearch.com.au

Or visit the website www.drillsearch.com.au
 Media enquiries to: Nigel Kassulke at Cannings 02 8284 9990.

If you would like to register for email alerts please go to the Register Page on our website.

About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional 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. The company also has offshore exploration interests in the Gippsland Basin and in PNG as well as oil & gas production interests in Canada.

About Gaffney, Cline & Associates - Gaffney, Cline & Associates (GCA) is an independent international energy advisory group of over 45 years' standing. A substantial part of GCA's work involves the technical evaluation of petroleum properties and the provision of independent valuation of assets for inclusion in company or stock exchange statutory documentation.

The GCA Report was prepared in accordance with the SPE-PRMS guidelines and, in preparing the report, GCA maintained strict independence in accordance with the Valmin Code issued by the Australasian Institute of Mining and Metallurgy.

The GCA Report has been compiled under the supervision of Mr. David Ahye, Principal Advisor and Regional Manager, Asia Pacific. With over 33 years' industry experience, Mr Ahye holds B.Sc. (Hons.) Chemical Engineering and is a member of the Society of Petroleum Engineers and South East Asia Petroleum Exploration Society. The technical analysis was performed by Mr. David Remus who holds a B.A. in Geology and Geophysics from the University of Wisconsin (1977) and is a life member of the South East Asian Petroleum Exploration Association (SEAPEX) with more than 31 years' experience in petroleum geoscience.