

9 December 2009

Award of Major New Cooper Basin Exploration Permit

- **Drillsearch awarded Block B in SA Cooper Basin 2009 Bid Round**
- **Award significantly increases strategic position in Cooper Basin Western Flank**
- **Block B includes major production license relinquishment areas around Moomba Gas Field and other major oil & gas fields**
- **Increases Drillsearch position in Wet Gas and Deep Coal Seam Unconventional Gas Resources**

Drillsearch Energy Ltd (ASX: DLS) is pleased to announce it has been awarded by the Government of South Australia a major new exploration permit - Block B - through the 2009 Cooper Basin Acreage Release competitive bid round. Block B covers approximately 1500 km² on the Western Flank of the South Australian Cooper Basin and incorporates exploration acreage directly contiguous to Drillsearch's PEL 91, 106 and 107 permit areas (see attached map). On award, Block B will be held by Drillsearch's wholly-owned subsidiary Great Artesian Oil & Gas Ltd which will operate and hold 100% interest in the permit.

Block B also contains significant acreage previously contained within the Santos-operated South Australian Cooper Basin Joint Venture production license areas. These areas include most of the Production License area covering the Welcome Lake East wet gas field located within Drillsearch's PEL 106 exploration permit and more significantly a major production license release area covering the entire south western flank of the giant Moomba gas field. In the southern portion, Block B also contains production license relinquishment areas from the Caladan and Wirrarie North gas fields. The northern portion of Block B also contains major permit areas abutting the Fly Lake, Tirrawarra, Callabonna and Charo oil fields and the Merrimelia, Leleptian and Varanus wet gas fields.

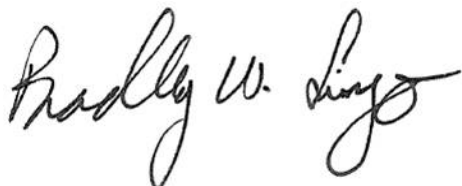
Managing Director Brad Lingo stated "We are extremely excited about winning the bid for Block B, which is a strategic fit with Drillsearch's position in the Western Cooper Basin. Block B covers portions of the Western Flank Oil, the Wet Gas and Unconventional Gas play fairways that we have outlined as the cornerstone strategic businesses we are building the company around."

"We know the area extremely well as a portion of Block B covers areas from PEL 106 which Drillsearch previously relinquished before we identified the unconventional Deep Coal Seam Methane potential of the area and had fully refined the conventional stratigraphic wet gas play. We have proven track record of success in this area with 10 discoveries out of 12 exploration wells. We

have already begun mapping out the unconventional Prospective Resource potential of this area for the Permian coals which we know extends into the new award acreage.”

“Block B will give us increased leverage and scale within the Wet Gas business we are building around the success we have already achieved in PEL 106”.

For further information please contact:

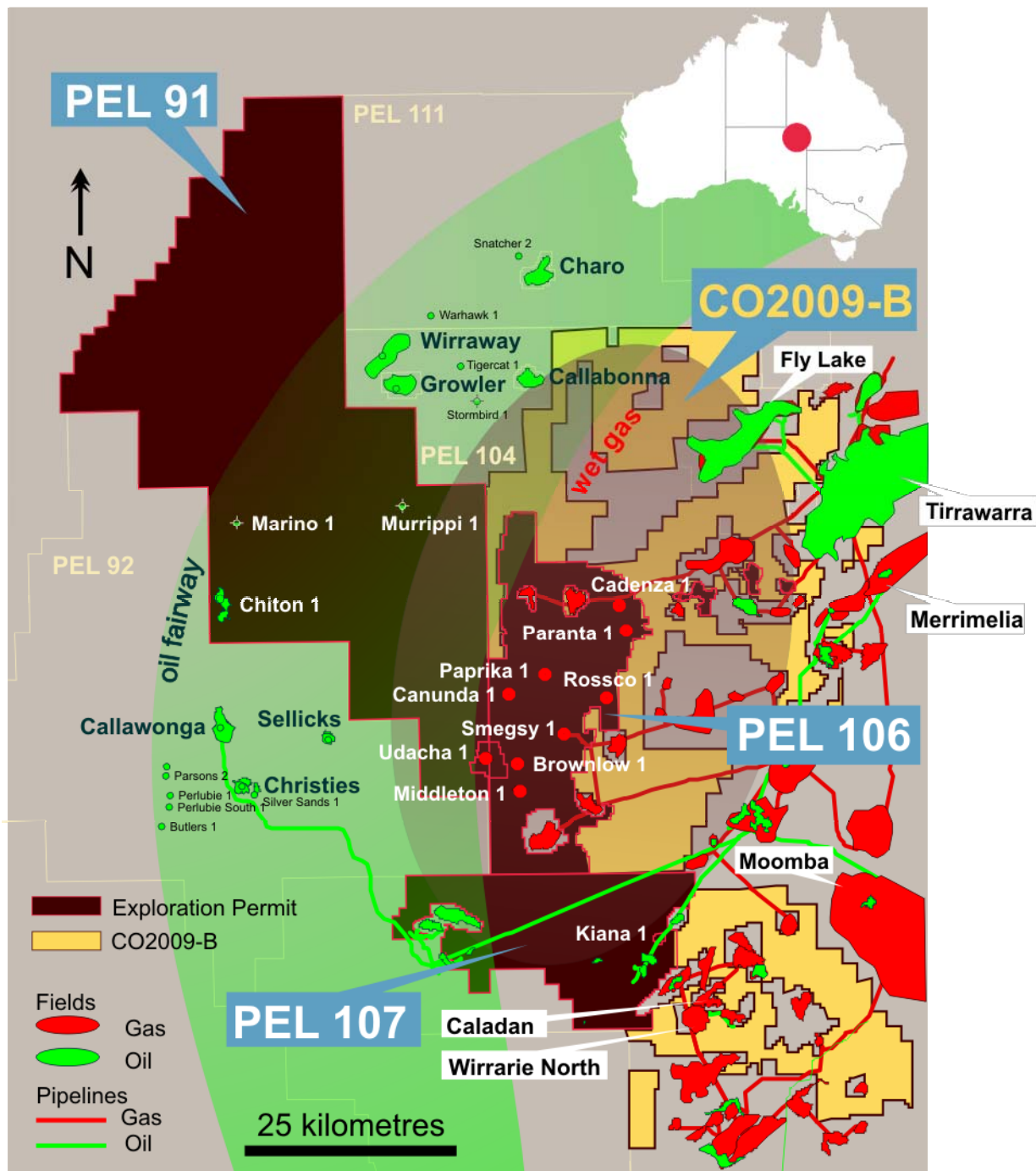
A handwritten signature in black ink that reads "Bradly W. Lingo". The signature is written in a cursive, flowing style.

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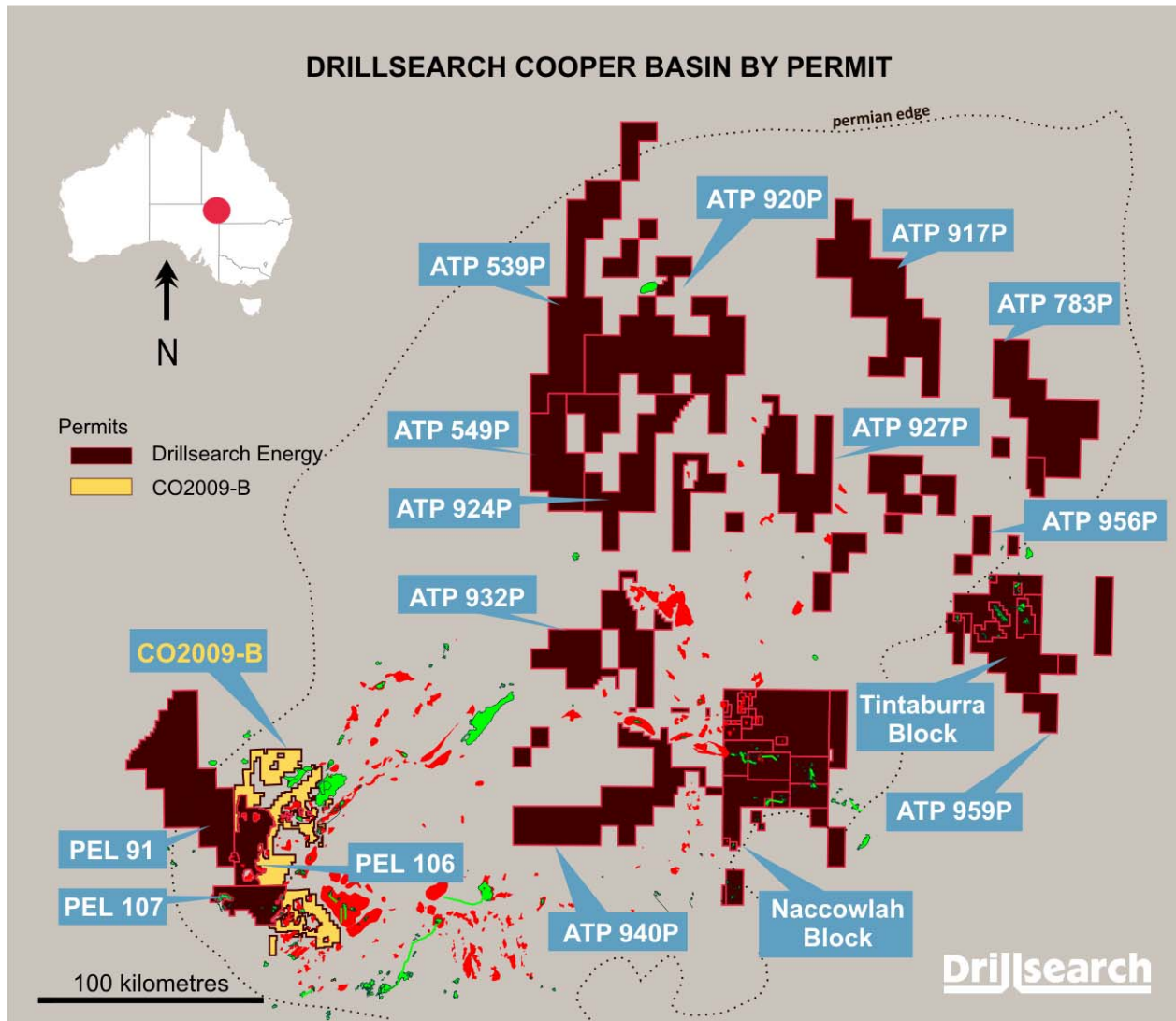
Or visit the website www.drillsearch.com.au
Media enquiries to: Nigel Kassulke at Cannings 02 8284 9990.

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

Drillsearch Western Cooper Basin Acreage Including South Australia Cooper Basin Block B award



Drillsearch Cooper/Eromanga Basin Acreage by Permit



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 Carnarvon and Gippsland Basins as well as interests in PNG and Canada.