The Cooper Basin's leading mid-tier Oil & Gas explorer

Delivering Transformational Growth

Good Oil Conference

5-6 September 2010

Drillsearch – the story

For investors Drillsearch represents ...

- Material Cooper Basin footprint
- Control of our own destiny
- Existing production
- Highly prospective portfolio
- Ready access to markets/infrastructure
- Huge Unconventional Resource opportunity

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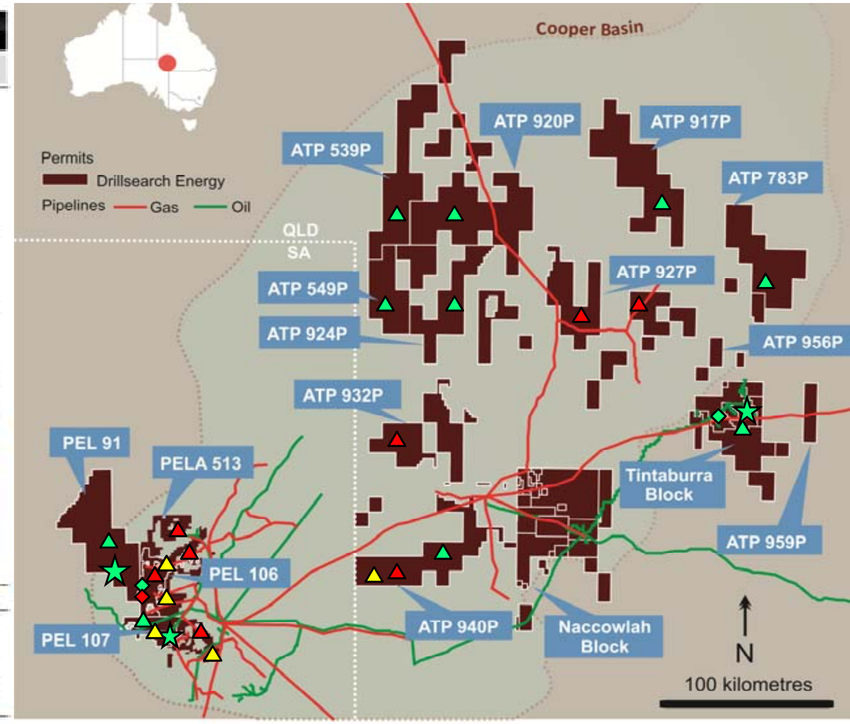
Company Snapshot – *Strong Growth Pipeline*



Share Price 7 Sept 2010	FY 2010 Production Revenues	30 June 2010 2P Oil Reserves		FY 2010 Oil Production bbls
6.4 cents	A$9.57m	4.1 MMBOE	+185%	157,459

Market Cap 3 Sept 2010	Cash & Receivables 30 June 2010		FY 2010 Exploration Success	FY 2010 Production BOPD
A$130m	A$8.1m	*No debt*	80%	430

Activity		Hydrocarbon Type
Exploration	▲	Oil
Development	◆	Gas
Production	★	Unconventional

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Our past year – Delivering on promises

- Implemented strategic plan
- Enhanced asset portfolio
- Built on internal capabilities
- Exploration success
- Booked significant uplift in Reserves & Resources

Why the Cooper Basin? Reasons to invest!

- Australia's World Class Onshore Oil & Gas Basin
- Underexplored
- High exploration success rates
- Low cost / High profit
- Short cycle time to first cash flow
- Ready access to key services, contractors & infrastructure

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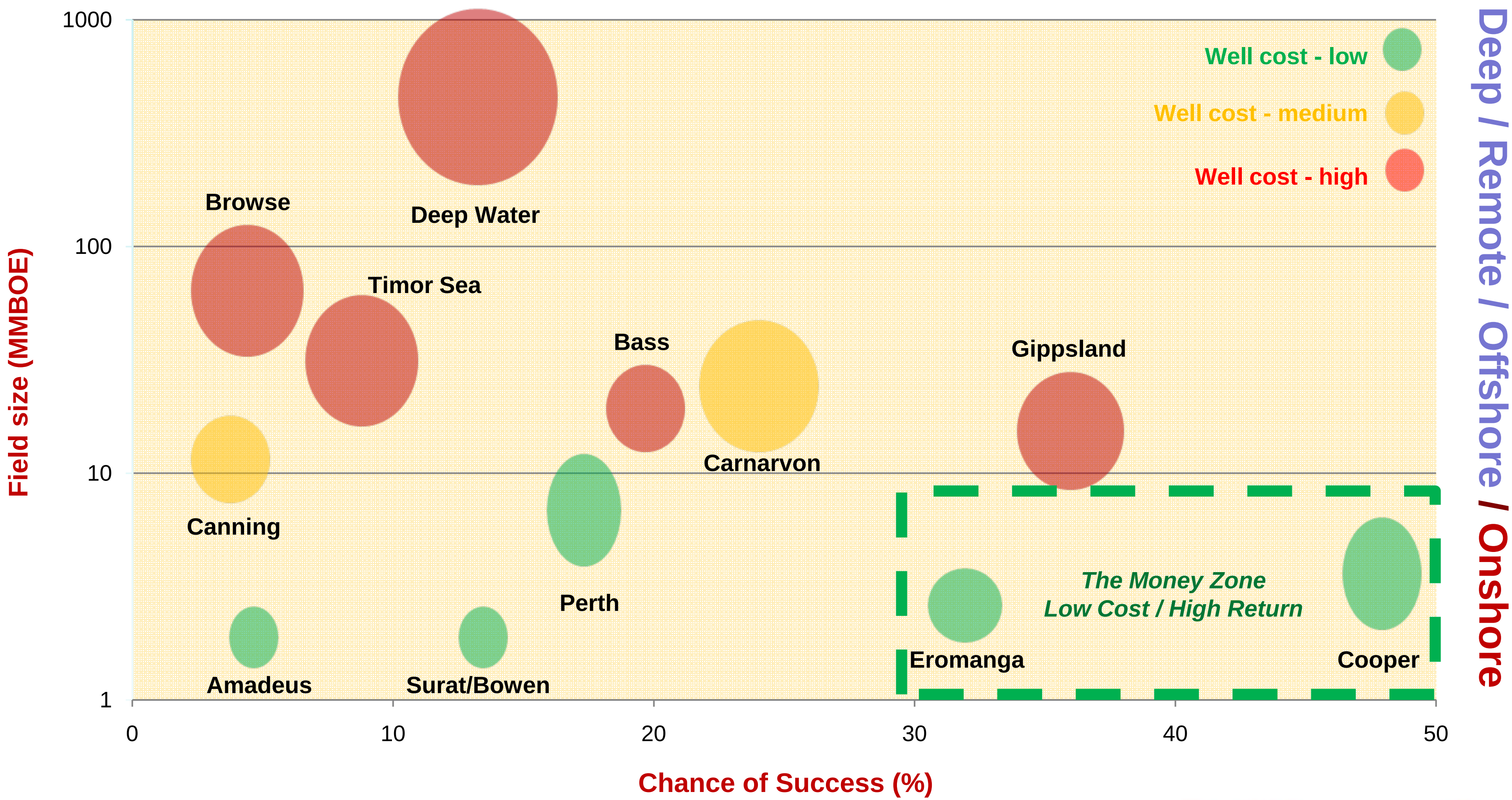
How the Cooper Basin stacks up



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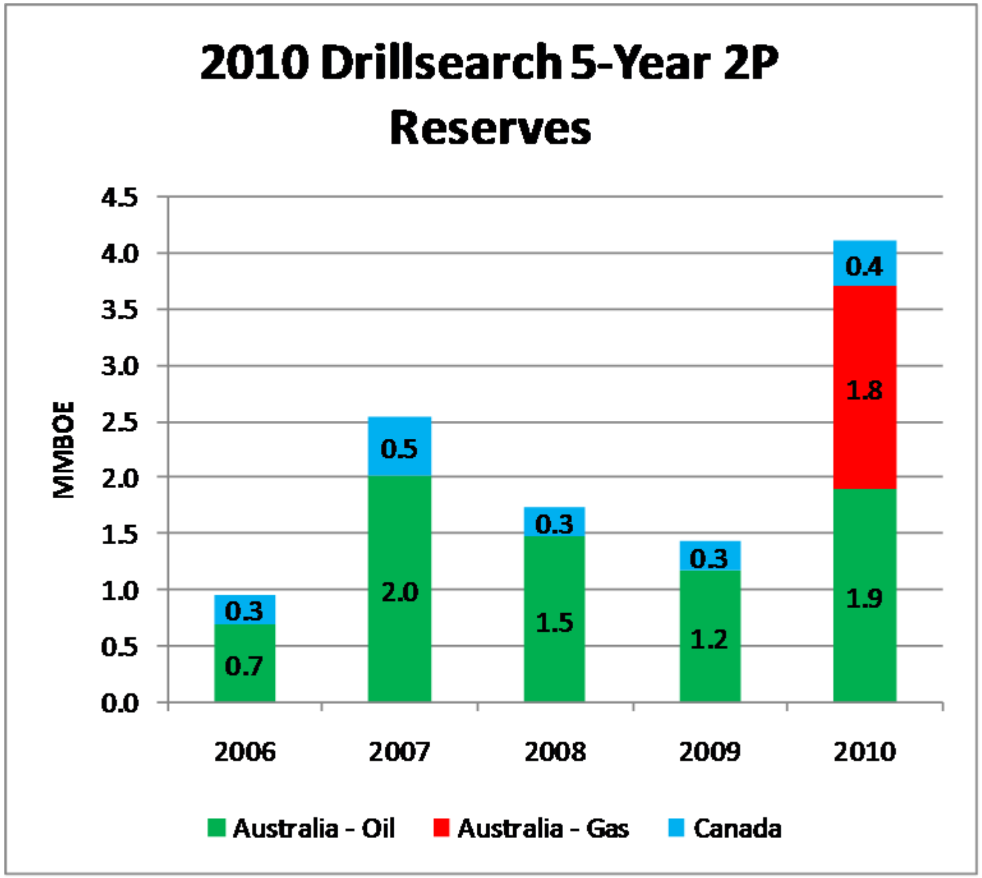
Delivering results – new discoveries & reserves growth

- **Re-invigorated Company growth**
- **<u>185%</u> Yr-on-Yr 2P reserve growth**
- **<u>60%</u> Yr-on-Yr 2P liquids reserve growth**
- **Strong focus on high profit oil**
- **Focus on core Cooper Basin reserves**
- **Growth driven by technical rigor**
- **Our eye is always on commerciality**
- **Reserve growth to fuel revenue growth**
- **Significant Contingent Resource pipeline**



Our four businesses – How we do it

The Business Pipeline	Core Assets	The Business Make-up
New Oil	• Western Flank Oil Fairway	• Greenfield exploration • High profit oil targeting shallow oil pools
Wet Gas	• Western Cooper Gas & Liquids Project	• Developing existing & new gas discoveries • Focus on high profit light oil/condensate
Mature Oil	• Tintaburra Block	• Non-operated long-term oil production • Significant production expected for 5-10 yrs
Unconventional	• Western Cooper Deep CSG Project • Central Cooper Shale Gas Project	• Evaluate discovered deep coal seam, shale & tight gas and oil • Targeting commercializing already discovered oil & gas from tight reservoirs

Transactional growth – Innamincka (INP) merger

Proposal	• INP to merge into DLS via a scheme of arrangement
Offer Terms	• 2.5 Drillsearch shares for each Innamincka share
Other	• Unanimously recommended by INP board in the absence of a superior proposal
Key Conditions	• INP Shareholder approval • No material adverse change • Mutual break fees

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Innamincka Merger– The Strategic Rationale

Enhanced scale & diversification	• Material uplift in Reserves & Resources • Increases Cooper footprint • Expanded position in Western Flank Oil
Unconventional resource opportunity	• Opportunity to unlock large tight oil play
Production operating capability	• Adds experienced operating team to DLS • Provides the platform to increase production
Improved funding capacity	• Adds net cash balance and production • Strengthens balance sheet

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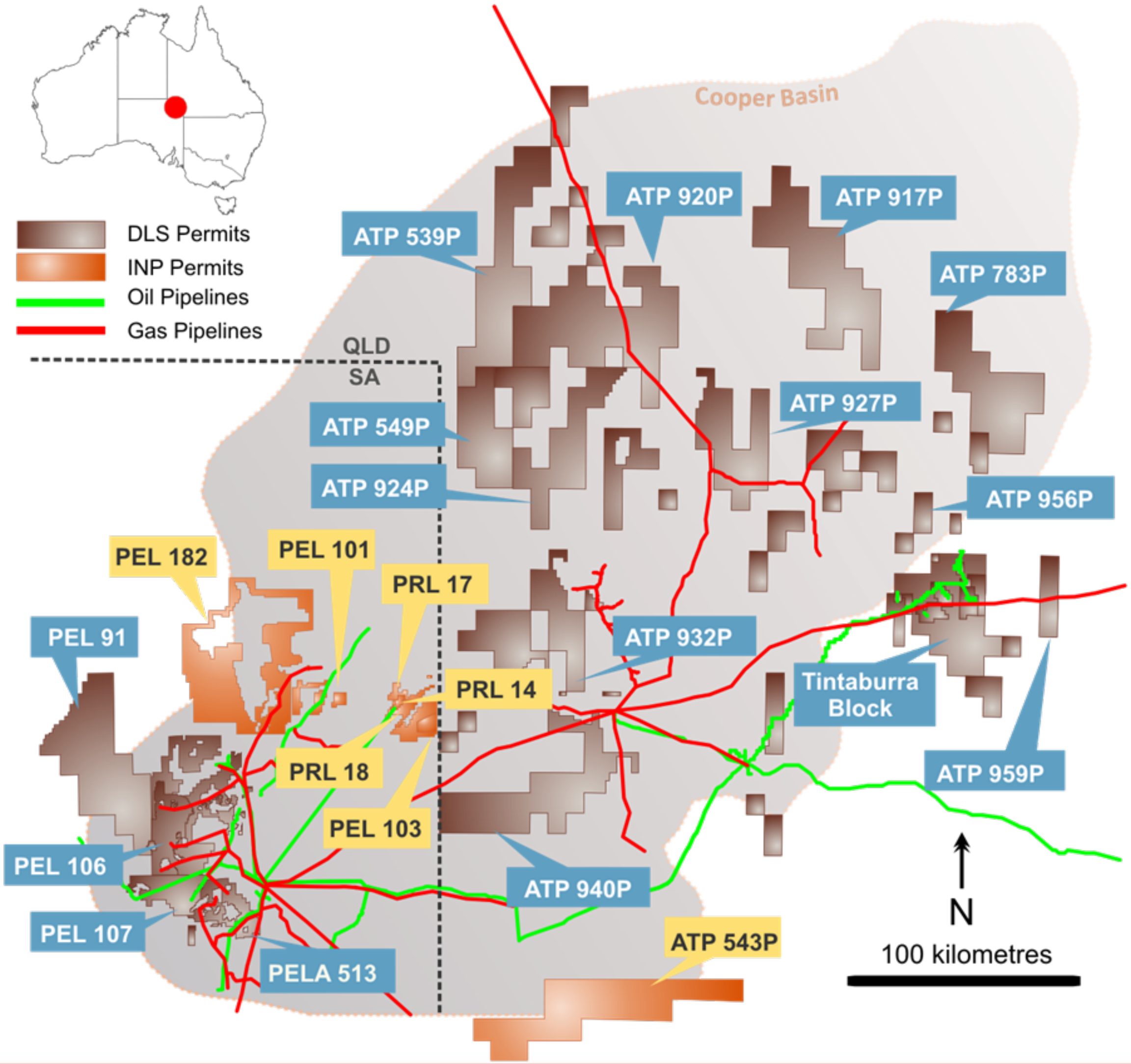
Innamincka Merger– The Post Merger Footprint



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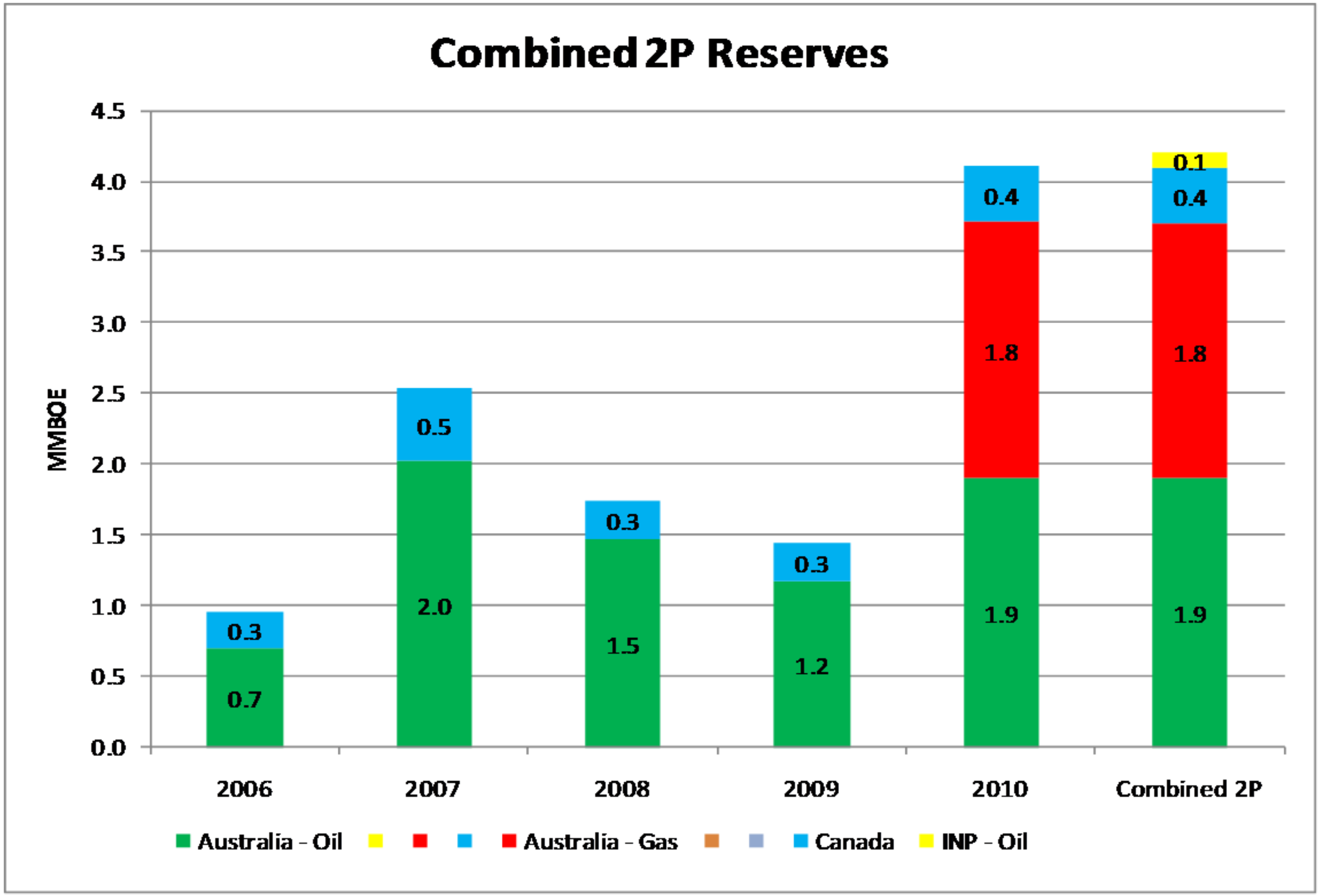
Delivering results – Combined Reserves growth



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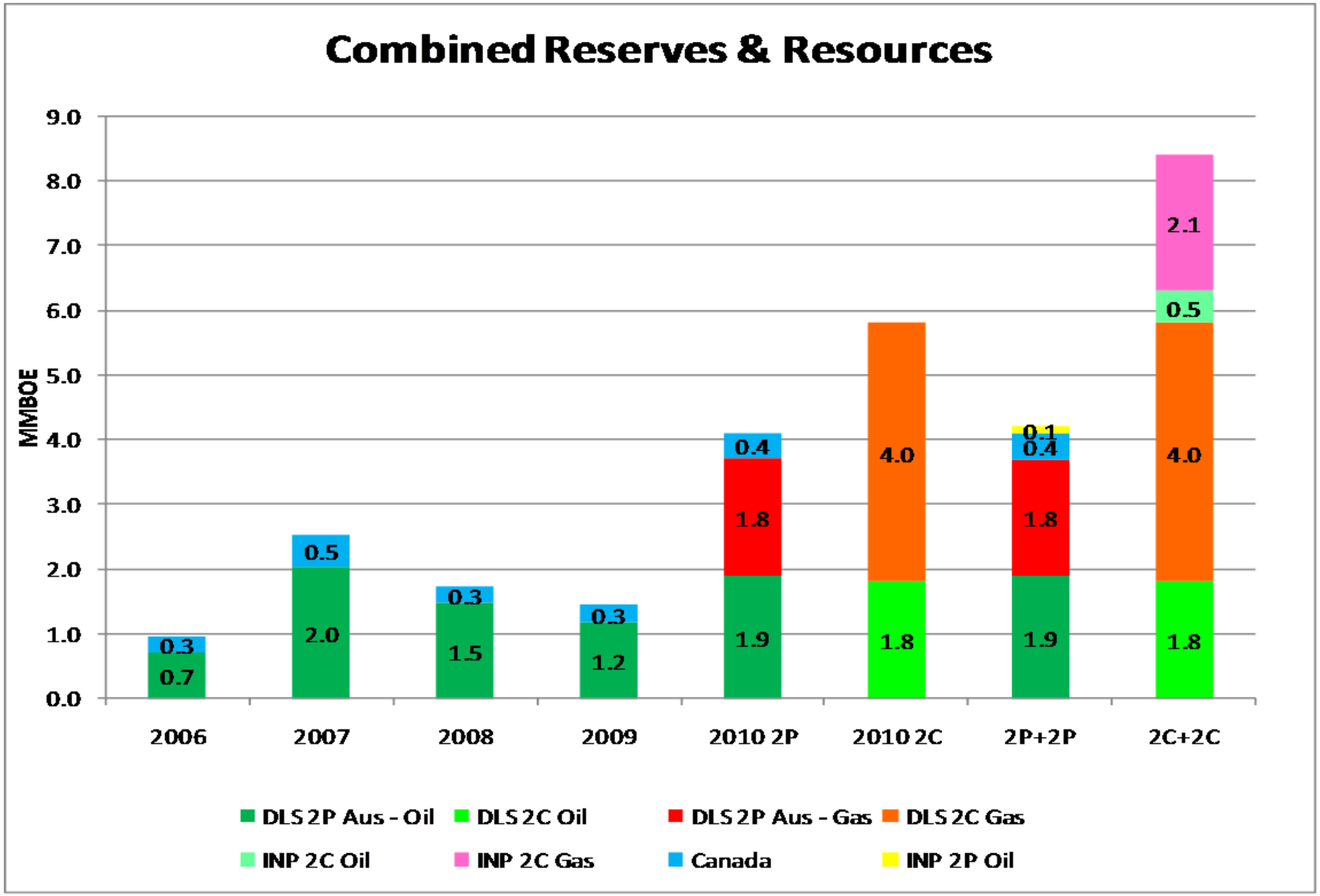
Delivering results – Combined Reserve & Resources



Innamincka Merger– A fair price

Strategic focus on the Cooper	• Commitment to the Cooper • Existing strategy applicable to INP assets
Understanding of INP	• Assets • History • Potential
Synergies	• Complimentary assets & skills set • Corporate costs

"We are uniquely positioned to unlock the hidden value in INP"

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Our key messages

- People, Projects & Plan
- Unique acreage position
- Organic Growth
  - High profit New Oil
  - Wet Gas & Liquids Development
  - Emerging Unconventional Gas Resources
- Transactional Growth
  - Innamincka merger

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