
Drillsearch Energy Limited and Great Artesian Oil and Gas Limited

Delivering on Consolidation to Create Value

Bringing together Talented Management and Complementary Assets

Merger – April 08

Mr Peter Simpson

Executive Chairman
Drillsearch Energy Limited

Mr David Williams

Managing Director
Great Artesian Oil and Gas Limited



Drillsearch
Energy Limited



great artesian
oil and gas limited

Important Notice

This presentation has been prepared by Great Artesian Oil and Gas Limited ('Great Artesian') and Drillsearch Energy Limited ('Drillsearch') for the purpose of providing an overview of the proposed transaction between Drillsearch and Great Artesian to interested analysts/investors and shareholders. Any statements, opinions, projections, forecasts or other material contained in this presentation document do not constitute any commitments, representations or warranties by either Great Artesian or Drillsearch or their directors, agents or employees. Except as required by law, and only to the extent so required, directors, agents, and employees of Great Artesian or Drillsearch shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatsoever nature arising in any way out of, or in connection with, the information contained in this document. This document includes certain statements, opinions, projections, forecasts and other material, which reflect various assumptions. The assumptions may or may not prove to be correct. Recipients of the document must make their own independent investigations, consideration and evaluation. By accepting this document, the recipient agrees that if it proceeds further with its investigations, consideration or evaluation of investing in Great Artesian or Drillsearch it shall make and rely solely upon its own investigations and inquiries and will not in any way rely upon this document. Great Artesian and Drillsearch recommend that potential investors consult their professional accredited advisor as an investment in either Great Artesian or Drillsearch is considered to be speculative in nature.

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1. Introduction
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3. Transaction Rationale

Appendix Details of merged company exploration permits and production assets

1. Building an oil & gas company with growth

- Common vision to create a mid tier Australasian Oil and Gas explorer and producer with growth potential
- Great Artesian Oil and Gas Scheme of Arrangement – 3 DLS shares for 1 GOG share
- Complementary asset portfolios - cash flow with exploration, production, operator and gas commercialisation opportunities
- Drillsearch has extinguished the Meridian Loan Facility and is now debt free
- Significant exploration upside such as Marina 2 prospect, Cooper-Eromanga Basin, Otway and Gippsland Basins
- Strong management team, will preserve small company culture
- Increased market size and scale relative to peers - able to pursue consolidation opportunities
- Increased stock liquidity, institutional interest and better access to funding

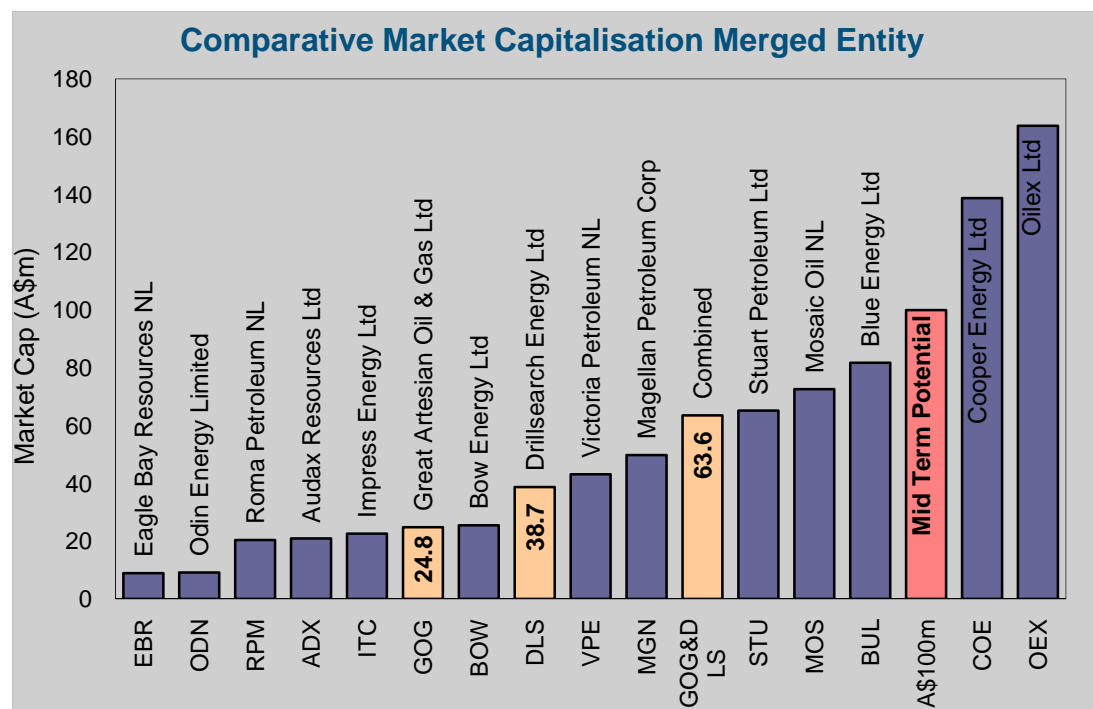
2. Merger Summary

Merger Terms	<ul style="list-style-type: none"> ■ 3 DLS shares for every GOG Share
Placement	<ul style="list-style-type: none"> ■ GOG has agreed to subscribe for 23,625,000 shares as part of DLS shortfall placement and GOG will then hold 47,910,488 shares in DLS ■ DLS shortfall placement fully subscribed. Merged company debt free with ~\$8m cash
Structure	<ul style="list-style-type: none"> ■ Merger unanimously recommended by both Boards. Directors of GOG unanimously support the Scheme in the absence of a superior offer and subject to the Independent Expert concluding that Scheme is in the best interests of GOG shareholders ■ Deloitte will provide an Independent Expert's Report on the proposed merger ■ David Williams (MD GOG) to provide executive management to both GOG and DLS during interim period and will be MD of merged company ■ Pro forma market cap on completion ~ \$75m* <p><small>*Assumes a merged company share price of \$0.046 per share (equivalent to the Drillsearch 60 Day VWAP to 16 April 2008) and 1,620million shares on issue in the merged entity, which includes Drillsearch's placement of a further 325,942,850 shares announced on 17 April 2008, and excludes 47,910,488 shares that will be held by Great Artesian in Drillsearch.</small></p>
Board	<ul style="list-style-type: none"> ■ GOG Directors invited to join DLS board following merger implementation. Peter Simpson to become Non Executive Chairman of merged company
Company Name	<ul style="list-style-type: none"> ■ Will review name to ensure it reflects merged company's activities post merger
Conditions	<ul style="list-style-type: none"> ■ GOG shareholder vote (75% of shares voted and 50% of shareholders voting) ■ Court approvals required
Indicative Timetable	<ul style="list-style-type: none"> ■ Scheme Booklet dispatched – early June 2008 ■ GOG shareholder vote (Scheme Meeting) – early July 2008

3. Creating a successful & sustainable mid tier Australasian oil & gas explorer and producer

- Broader base and enhanced market position
- Integrated Management and Board with extensive oil and gas experience
- Complementary mix of production and exploration assets
- Operating cash flow to sustain exploration commitment
- Rationalisation, consolidation and prioritisation opportunities
- Synergies
- Strategic focus
- Much larger development pipeline

Enhanced market position



* Company market capitalisations as reported by Bloomberg at close of market 18 April 2008 - DLS is 790,193m shares at 4.9c ps

* DLS and GOG combined company market capitalisation is sum of market capitalisations reported by Bloomberg at close of market 18 April 2008.

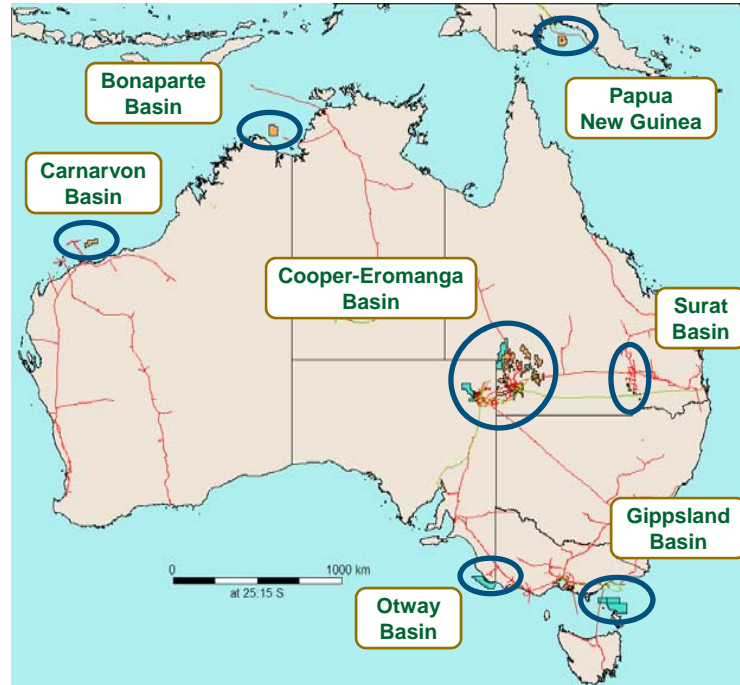
- Pro forma market cap of the combined entity ~ \$63m (see previous footnote)
- Mid term market cap potential (>\$100m) achieved through advancement of development projects and exploration success
- Increased market cap relative to peers will enable consolidation opportunities to proceed – corporate activity
- Greater liquidity leading to increased institutional attention, more attractive to brokers and analysts
- Balance sheet strength – better access to funding

A more sustainable, diversified and dynamic business.

Experienced Board and management

- Company Boards:
 - Drillsearch
 - Peter Simpson
 - Peter Wicks
 - Maxim Carling
 - Daryl Dixon
 - William Johnson
 - Great Artesian
 - Peter Hopkins
 - David Williams
 - Chris Carty
 - Jim McKerlie
- Board structure & membership to be reviewed and rationalised post integration
- Key Management:
 - David Williams – MD
 - Chris Carty – COO
 - Elizabeth Petrie – Senior Geo
 - Ian Bucknell – CFO/ Co. Sec.
- Full integration of DLS and GOG
- Both Sydney based – simple execution
- Merged entity will be a more attractive employer to oil and gas industry talent.

Diversified acreage in significant basins



- Cooper Basin oil production (Naccowlah and Tintaburra, 2P reserves of 1.495mmboe) in JV with Santos
- Cooper-Eromanga Basin gas commercialisation strategy is focused on providing independent “green” gas processing capability in the Cooper and provides medium term cash flow potential
- A spread of prospective offshore exploration opportunities with JV’s in the Bonaparte Basin, Otway Basin and the 100% owned acreage in the Carnarvon and Gippsland Basins
- 62.7% interest in subsidiary Circumpacific Energy Corporation (TSXV: CER) – oil and gas production and exploration interests in Alberta and Saskatchewan, Canada

Operating cash flow to sustain exploration commitment

- Merged company will be debt free with cash on hand of ~ \$8m
- Naccowlah (2%) and Tintaburra (10%) assets are forecast to generate production of at least 127,000 bbls during 2008 calendar year
- Exploration expenditure commitments (including potential \$5.4m for Marina 2 well) to be funded via internally generated cash
- Current business plan has the merged company with a positive cash balance for at least 18 months post merger

Rationalisation, consolidation and prioritisation opportunities

- Consider sale and / or farm out of non core assets
- Review acreage releases
- Review Circumpacific Energy Corporation (Canadian subsidiary)
- Prioritise exploration expenditure across merged portfolio
- Continue to investigate further consolidation opportunities and acquisition of income producing assets

Synergies

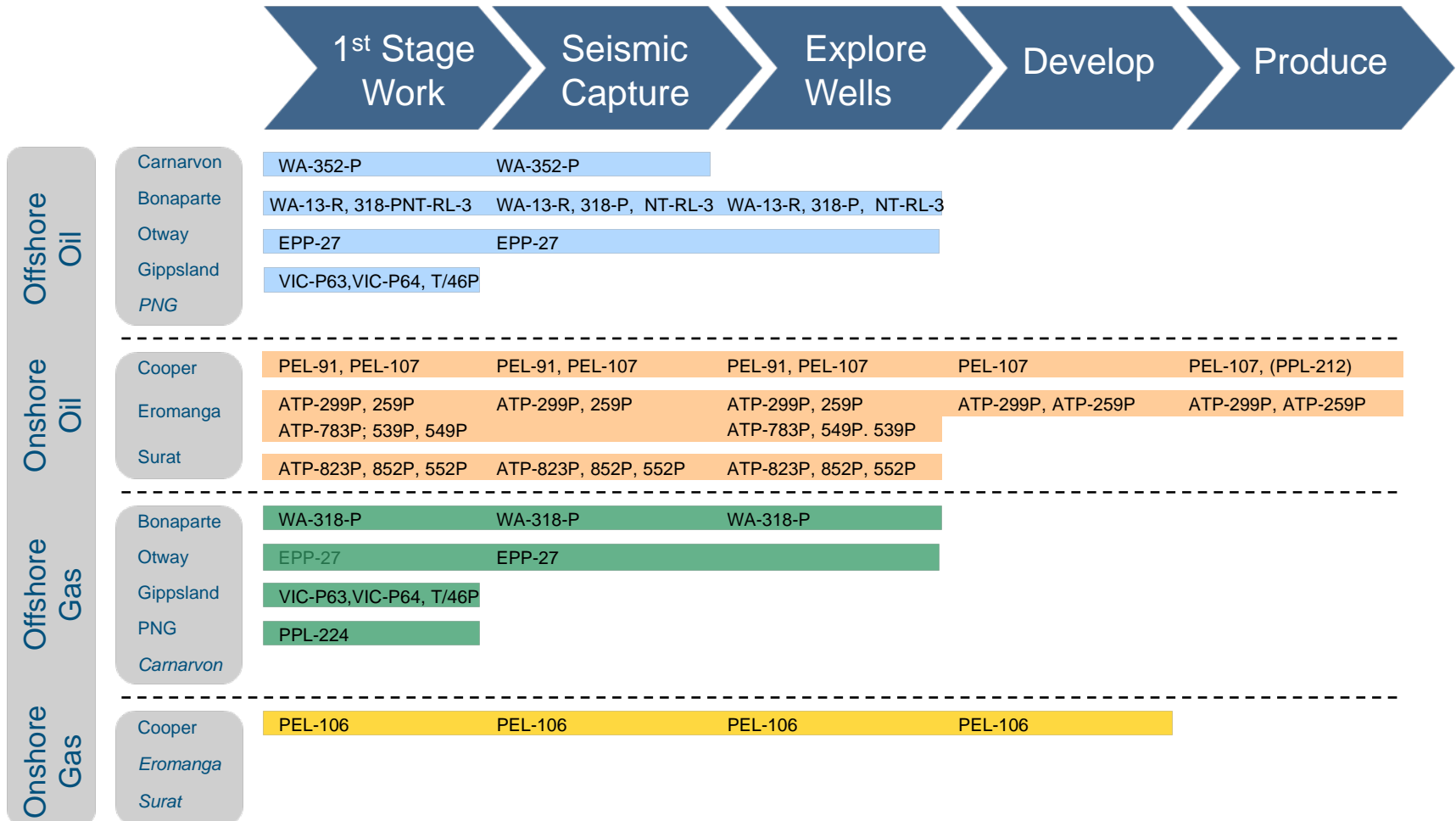
- Estimated synergies of at least \$700,000 per annum to be achieved through rationalisation of corporate overhead costs (rent, ASX listing costs etc).
- Combined management of both companies creates a fully resourced oil and gas exploration and development team along with being a current operator.
- Immediate benefits from combining each company's complementary technical and commercial knowledge.

Strategic Focus

- Pursue the common vision to build a successful and sustainable mid tier Australasian oil and gas explorer and producer
- Maintain the core production and development assets
- Grow oil and gas operator business
- Execute the Cooper Basin gas commercialisation plan to provide independent gas processing capability
- Utilise balance sheet strength and increased scale to complete further consolidation opportunities
- Rationalise non core assets

Development pipeline

Pipeline of different phases of developing producing assets and hence pathway to sustainable cashflow



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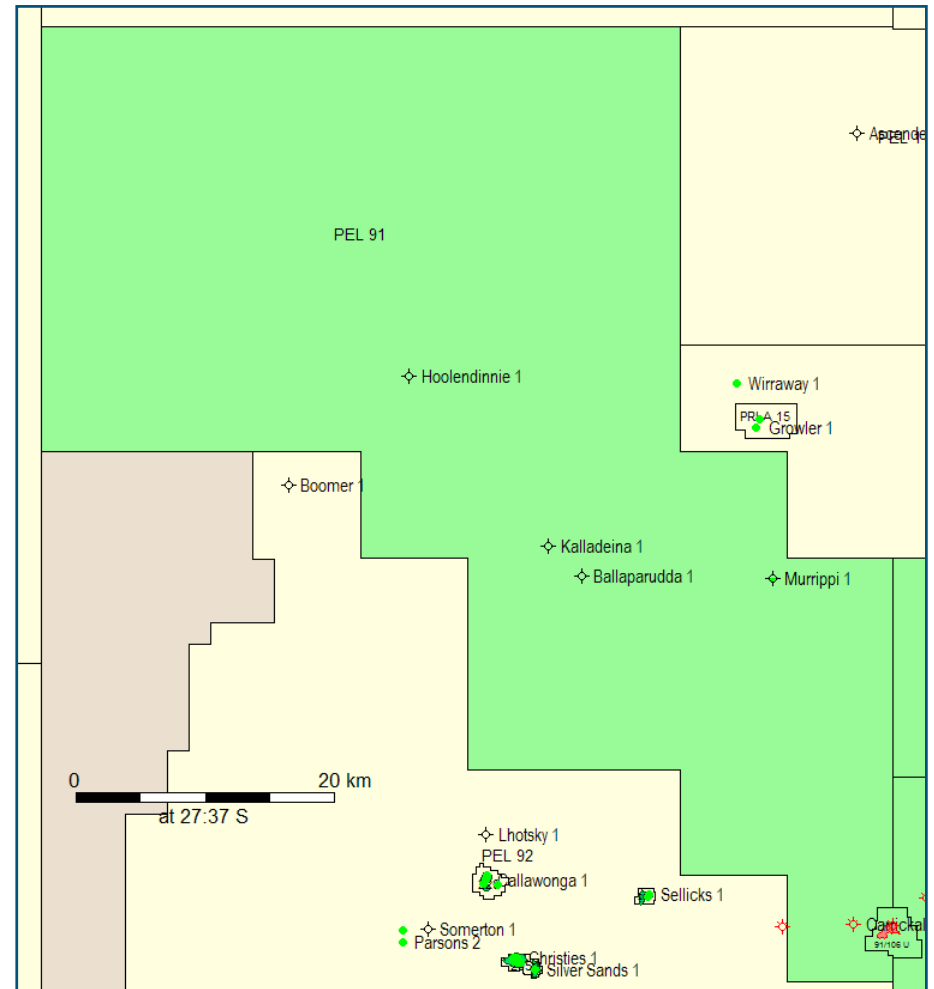
**Drillsearch
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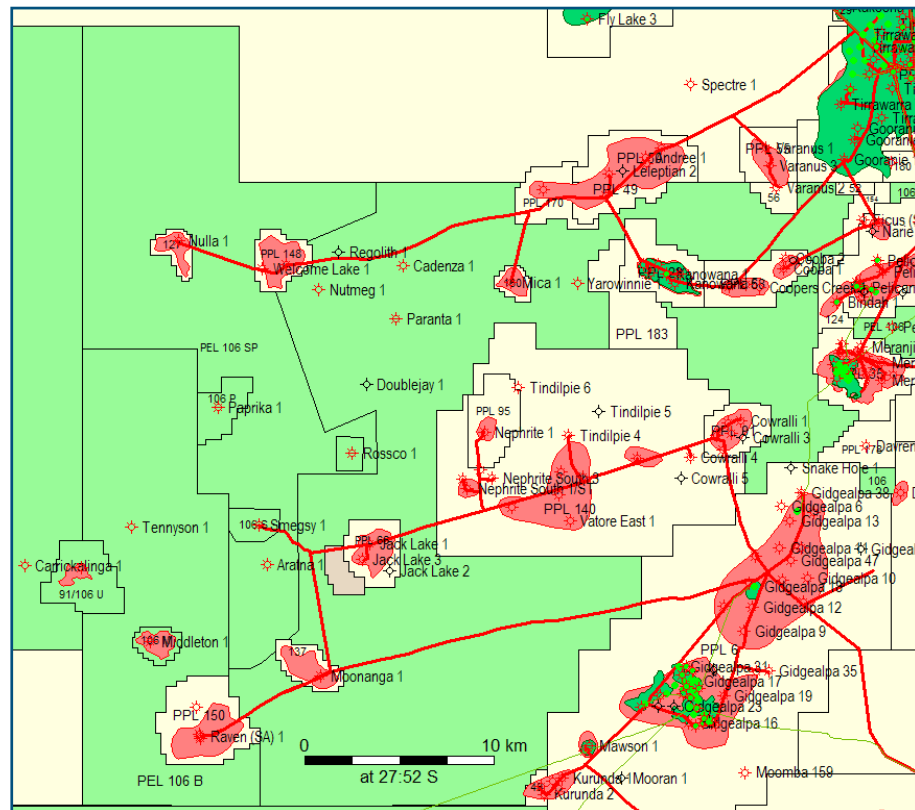
Cooper-Eromanga – PEL 91

Permit Expiry Date	■ 4 June 2008
Renewal Periods	■ 2 x 5 years
Relinquish on renewal	■ 33.3%
Participating Interests	■ Great Artesian 60.0%
	■ Beach Petroleum 40.0%
	■ Other Udacha
	– Great Artesian 32.5%
	– Beach Petroleum 15.0%
	– Enterprise 12.5%
	– Rawson 10.0%
– Magellan 30.0%	

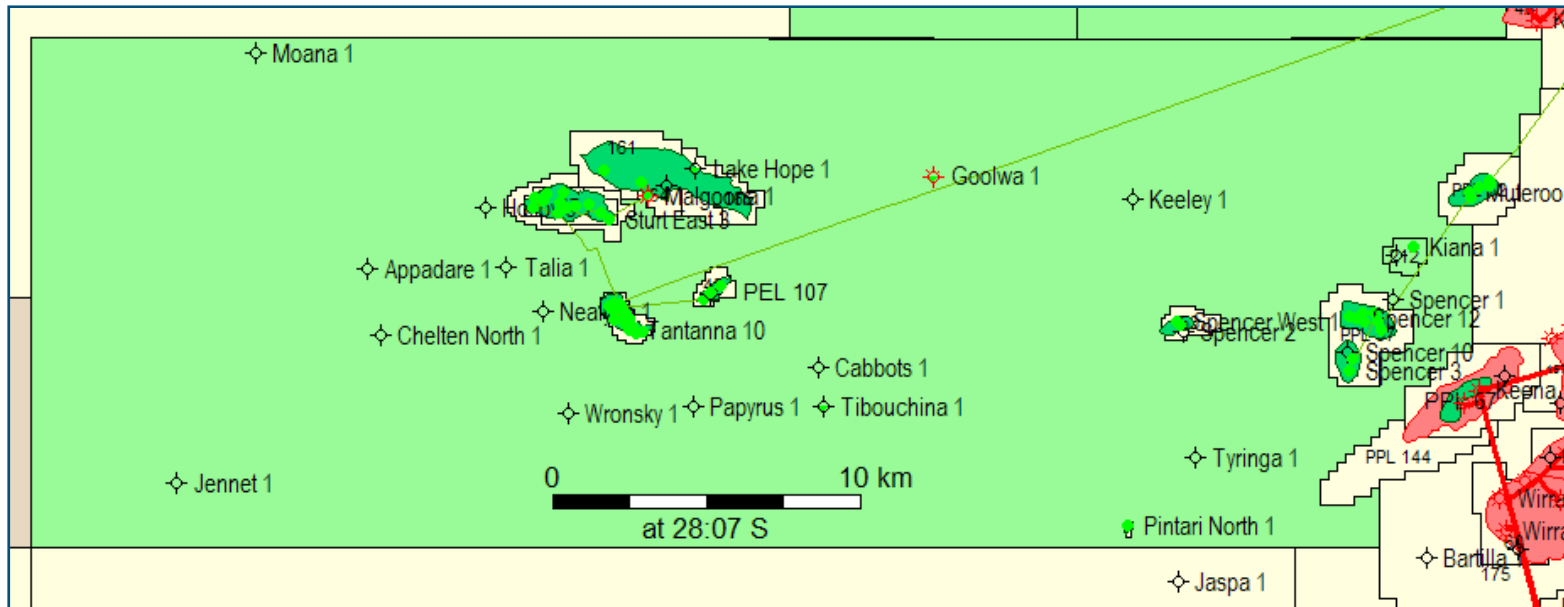


Cooper-Eromanga – PEL 106

Permit Expiry Date	■ 8 October 2008
Renewal Periods	■ 1 x 5 years
Relinquish on renewal	■ 50.0%
Participating Interests	<ul style="list-style-type: none"> ■ Great Artesian 100.0%*
Other Interests	<ul style="list-style-type: none"> ■ Spinel Farmin: <ul style="list-style-type: none"> – Potential for Blue Energy to earn 50% interest in discoveries and 50% in Block ■ Beach Farmin: <ul style="list-style-type: none"> – Potential for Beach Petroleum to earn 50% interest in Block ■ Middleton: <ul style="list-style-type: none"> – Great Artesian 50.0% – Beach Petroleum 50.0% ■ Roscco <ul style="list-style-type: none"> – Great Artesian 50.0% – Enterprise 12.5% – Blue Energy 37.5% ■ Cadenza <ul style="list-style-type: none"> – Great Artesian 50.0% – Blue Energy 50.0% ■ Paprika <ul style="list-style-type: none"> – Great Artesian 50.0% – Enterprise 12.5% – Blue Energy 37.5% ■ Red Sky may be able to earn an interest in a discovery.



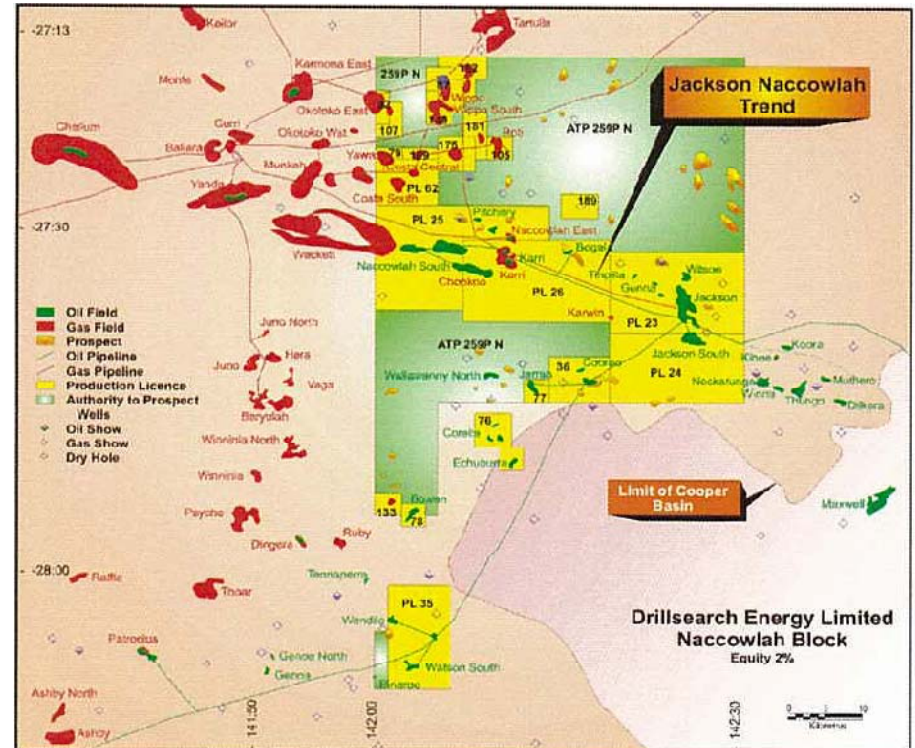
Cooper-Eromanga – PEL 107



Permit Expiry Date	■ 1 December 2008
Renewal Periods	■ 1 x 5 years
Relinquish on renewal	■ 50.0%
Participating Interests	<ul style="list-style-type: none"> ■ Great Artesian 40.0% ■ Beach Petroleum 40.0% ■ Magellan 20.0%

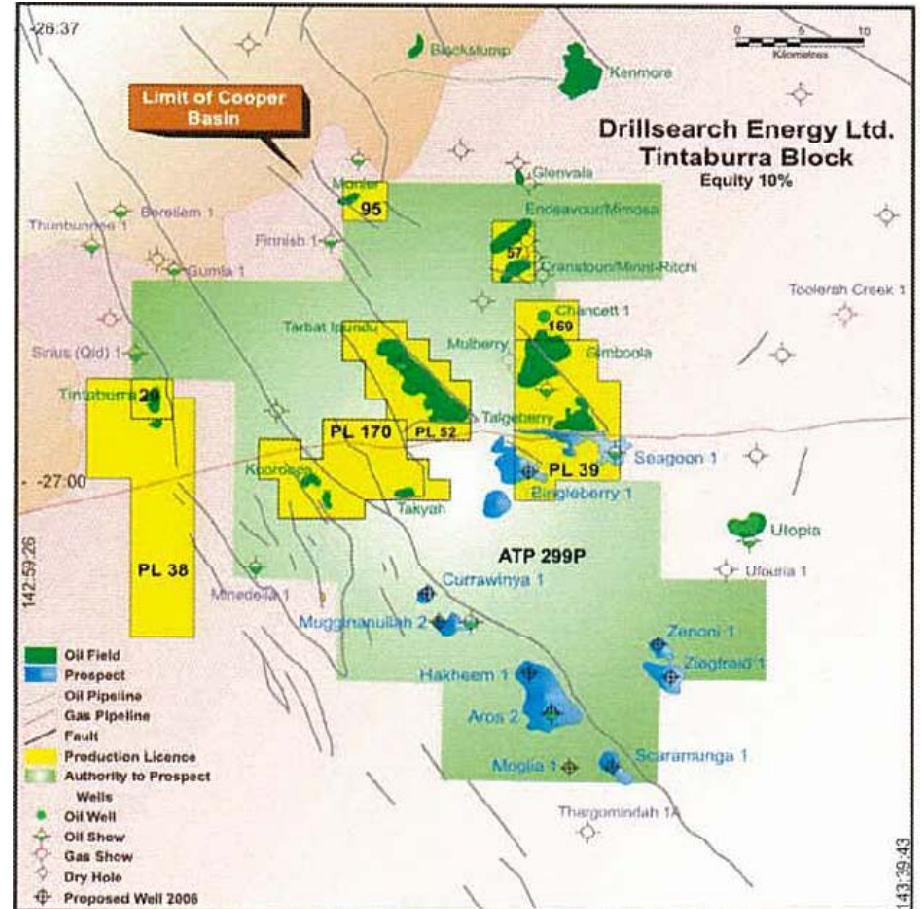
Cooper-Eromanga – ATP 259 P

Permit Expiry Date	■ 31 December 2010
Renewal Periods	■ 2 x 4 years
Relinquish on renewal	■ 33.3%
Participating Interests	■ Drillsearch 2.0%
	■ Santos 40.0%
	■ Delhi Petroleum 32.0%
	■ Vamgas 15.5%
	■ Mawson Petroleum 6.5%
	■ Australian Gasfields 2.0%
	■ Inland Oil 2.0%



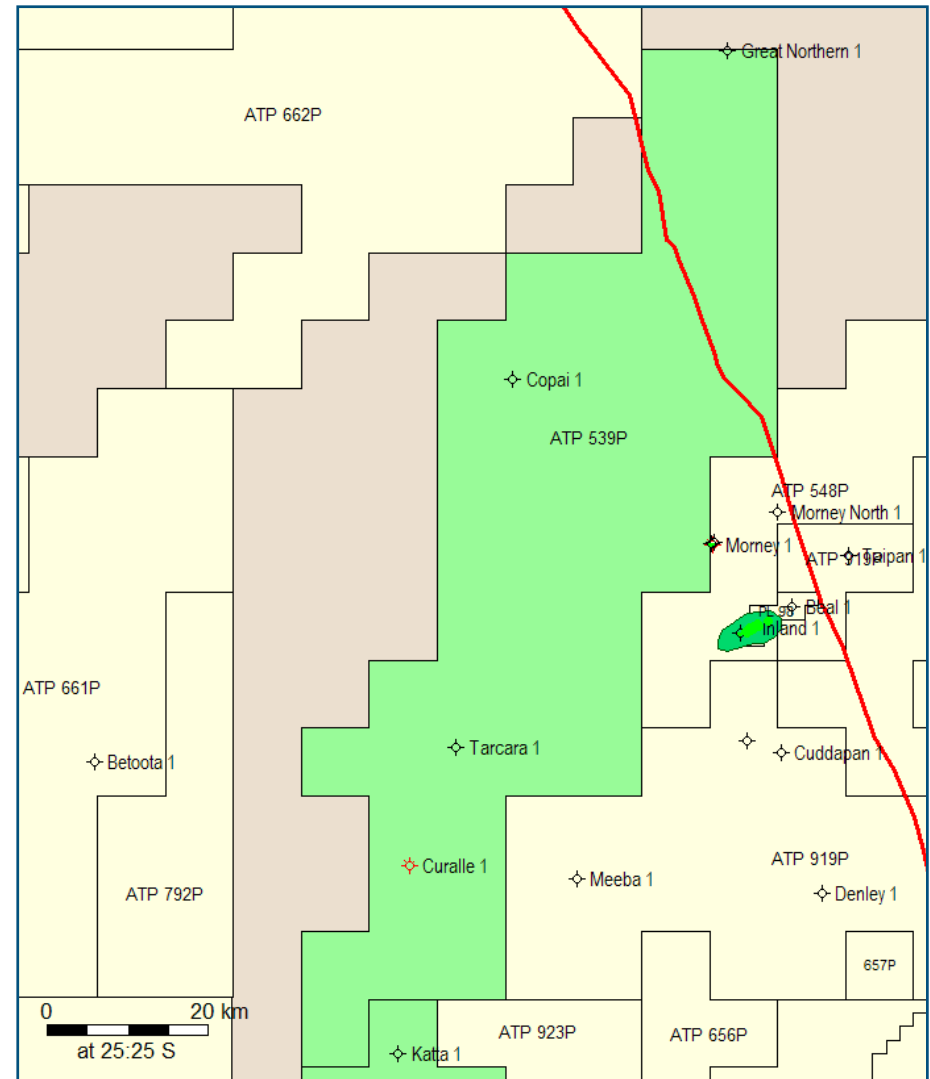
Cooper-Eromanga – ATP 299 P

Permit Expiry Date	■ 31 December 2008								
Renewal Periods	■ 2 x 4 years								
Relinquish on renewal	■ 33.3%								
Participating Interests	<table border="0"> <tr> <td>■ Drillsearch</td> <td>10.0%</td> </tr> <tr> <td>■ Santos</td> <td>77.0%</td> </tr> <tr> <td>■ Vamgas</td> <td>12.0%</td> </tr> <tr> <td>■ CPC Energy</td> <td>1.0%</td> </tr> </table>	■ Drillsearch	10.0%	■ Santos	77.0%	■ Vamgas	12.0%	■ CPC Energy	1.0%
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■ Vamgas	12.0%								
■ CPC Energy	1.0%								



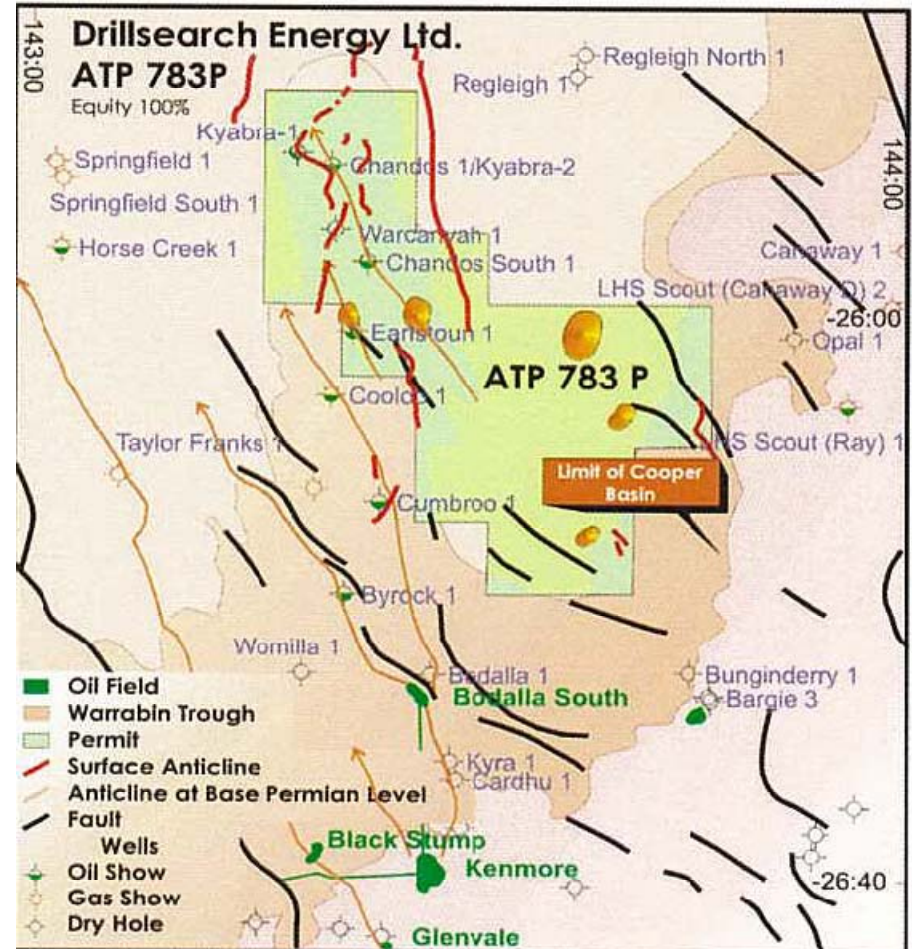
Cooper-Eromanga – ATP 539 P

Permit Expiry Date	■ 31 January 2009
Renewal Periods	■ 2 x 4 years
Relinquish on renewal	■ 33.3%
Participating Interests	<ul style="list-style-type: none"> ■ Great Artesian 100.0% ■ Enterprise has potential to take 50% interest



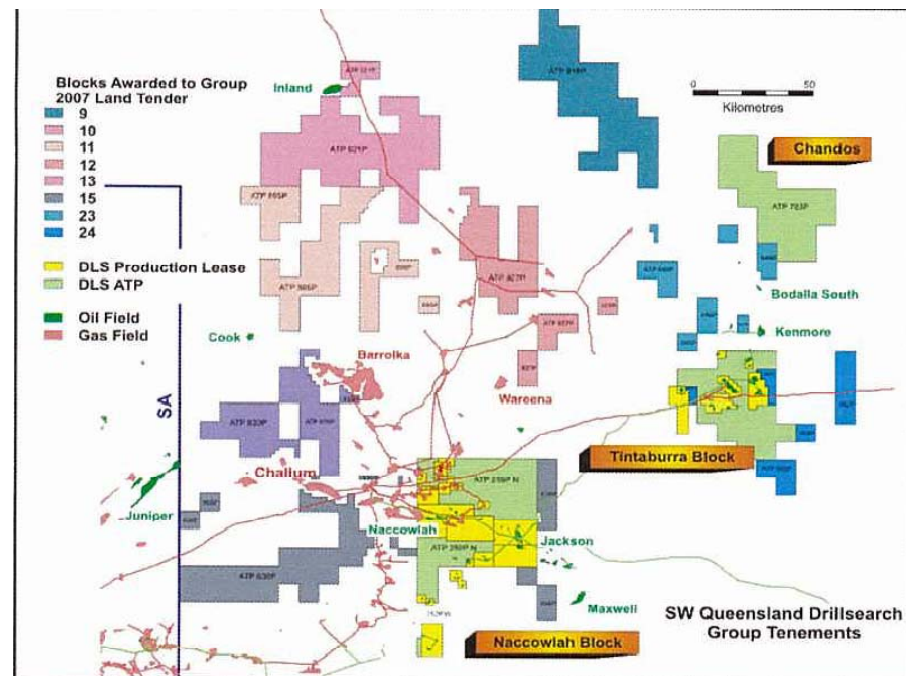
Cooper-Eromanga – ATP 783 P

Permit Expiry Date	■ 4 years pending native title negotiations
Renewal Periods	■ 2 x 4 years
Relinquish on renewal	■ 33.3%
Participating Interests	<ul style="list-style-type: none"> ■ Drillsearch 100.0% ■ Santos has potential to earn 60% interest



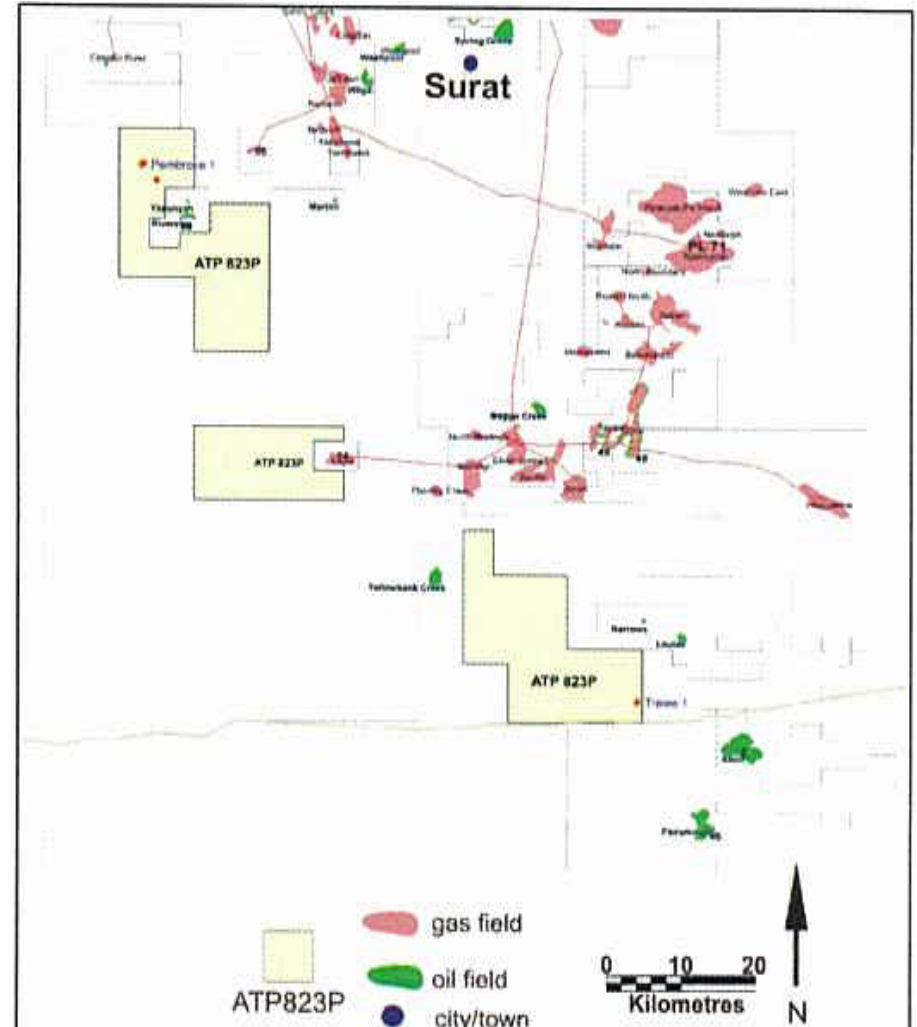
Cooper-Eromanga – ATP 920 P, 924 P, 932 P, 940 P, 956P and 959 P

Permit Expiry Date	■ 4 years pending native title negotiations
Renewal Periods	■ 2 x 4 years
Relinquish on renewal	■ 33.3%
Participating Interests	<ul style="list-style-type: none"> ■ ATP 927 P: <ul style="list-style-type: none"> – Drillsearch* 100.0% ■ Other Permits* <ul style="list-style-type: none"> – Circumpacific 100.0% <p>* Preferred tenderer</p>



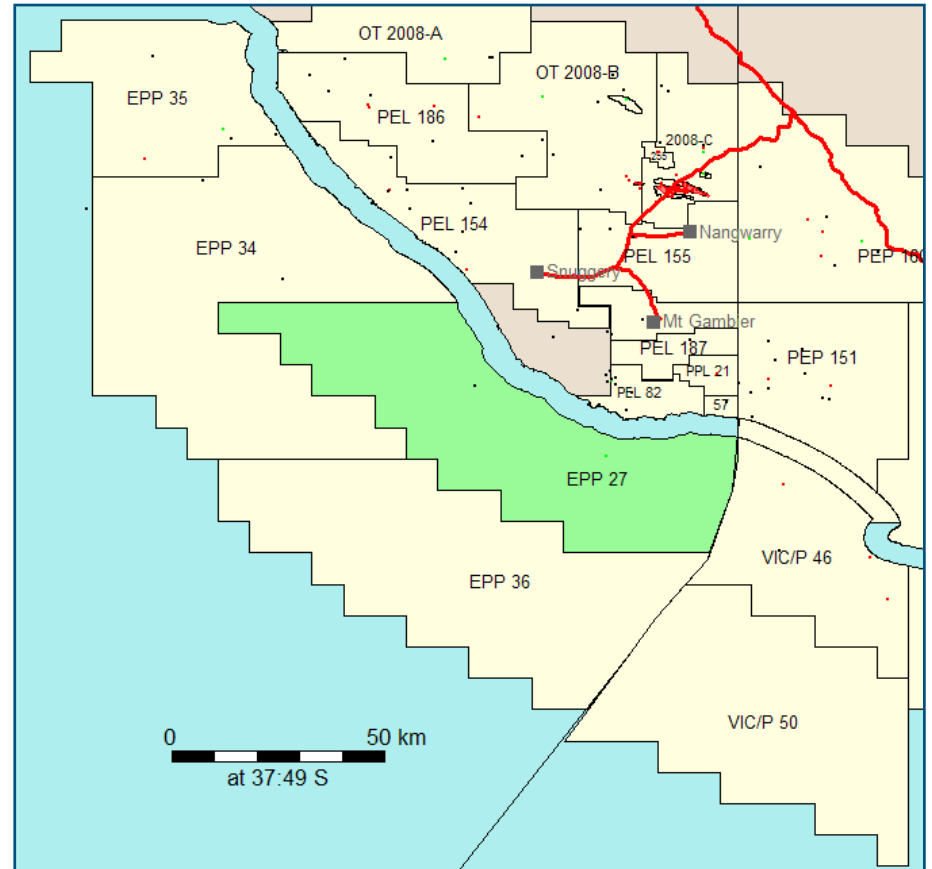
Cooper-Eromanga – ATP 823 P

Permit Expiry Date	■ 30 January 2019
Renewal Periods	■ 2 x 4 years
Relinquish on renewal	■ 33.3%
Participating Interests	■ Drillsearch 100.0%



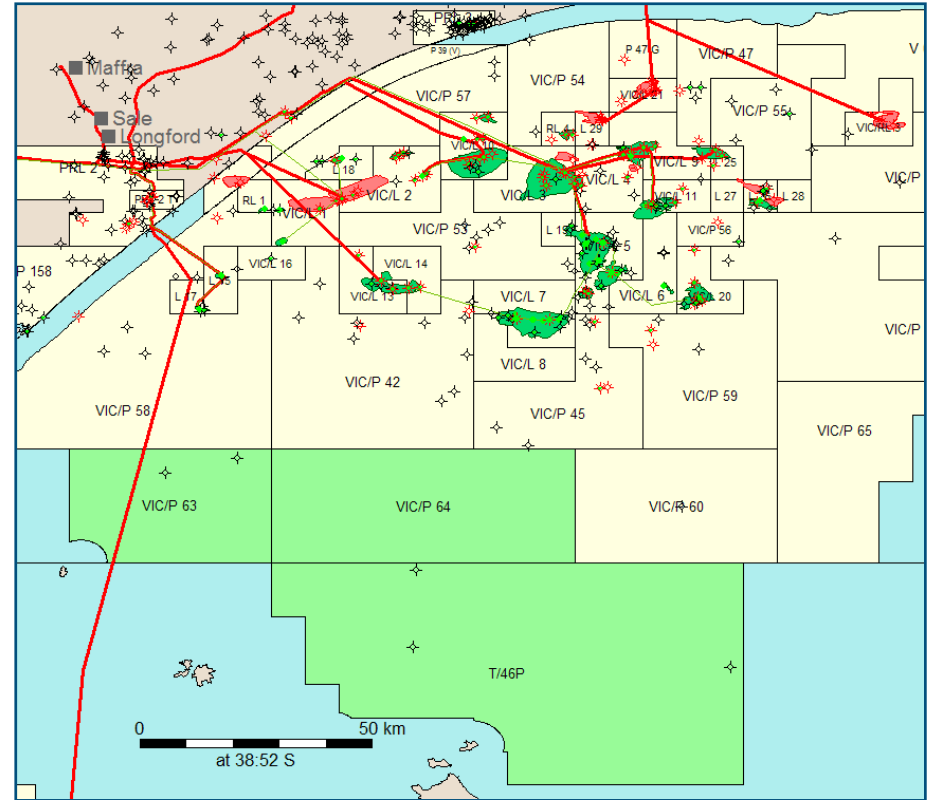
Otway Basin – EPP 27

Permit Expiry Date	■ 24 August 2008
Renewal Periods	■ 2 x 5 years
Relinquish on renewal	■ 50.0%
Participating Interests	■ Great Artesian 100.0%
	■ Following interests currently being earned:
	– Oilex 20.0%
	– Videocon Ind 20.0%
	– Gujarat State 20.0%



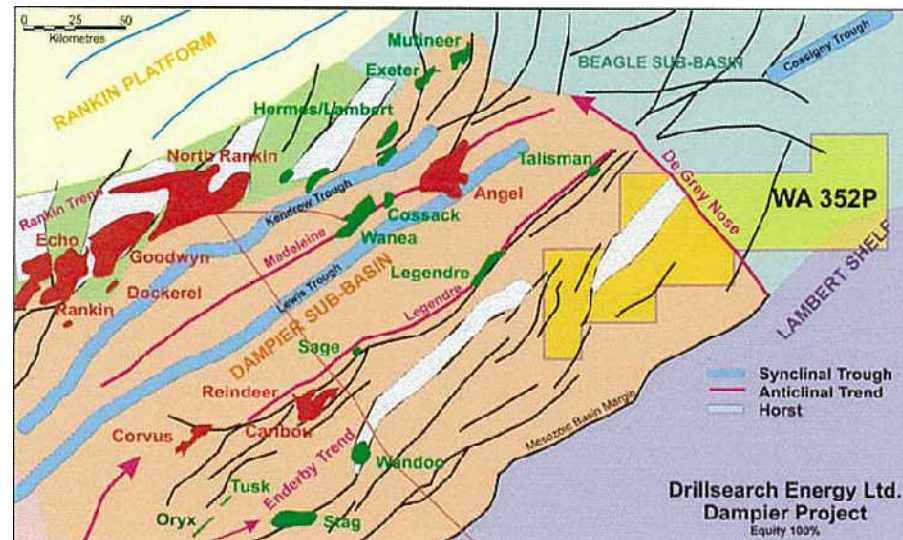
Gippsland Basin – VIC/P63, VIC/P64 and T/46P

Permit Expiry Date	<ul style="list-style-type: none"> ■ VIC/P63 - 28 March 2008 ■ VIC/P64 - 28 March 2008 ■ T/46P - 5 March 2008
Renewal Periods	■ 2 x 5 years
Relinquish on renewal	■ 50.0%
Participating Interests	■ Great Artesian 100.0%



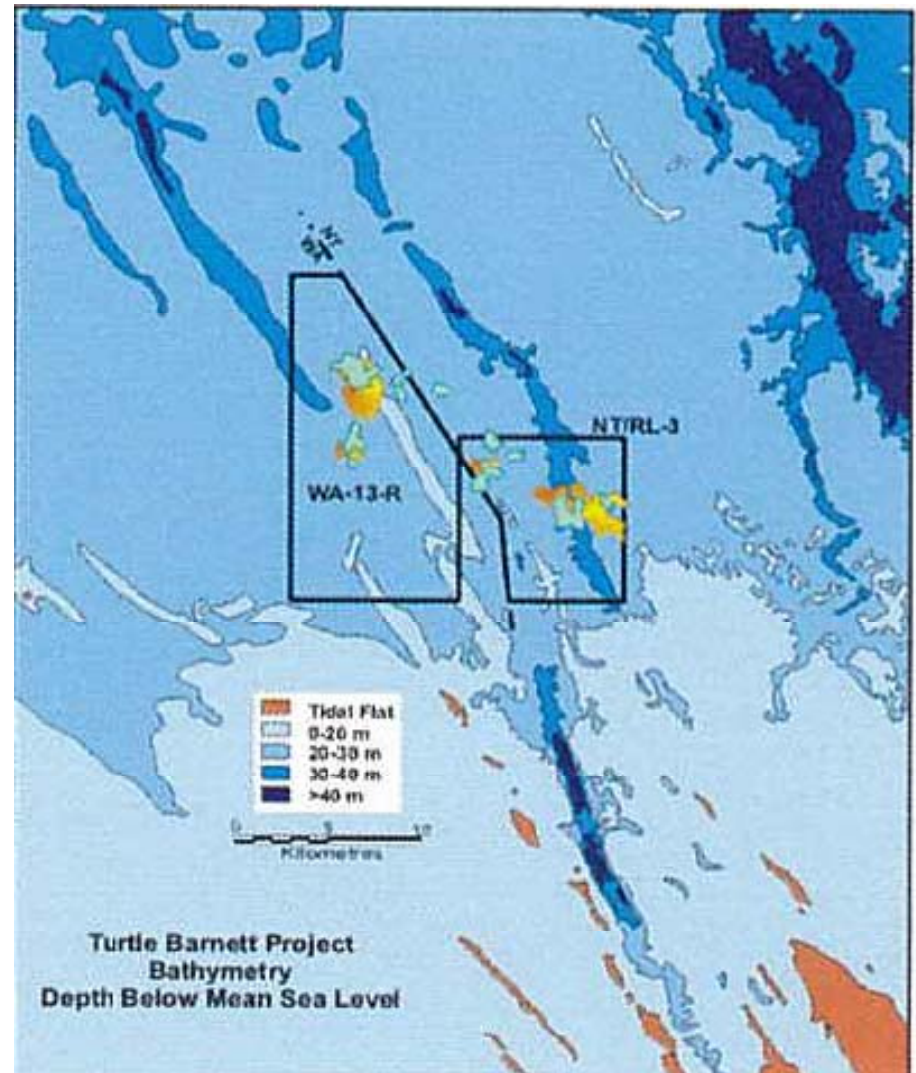
Carnarvon Basin – WA 352P

Permit Expiry Date	■ 6 August 2010
Renewal Periods	■ 2 x 5 years
Relinquish on renewal	■ 50.0%
Participating Interests	■ Drillsearch 100.0%



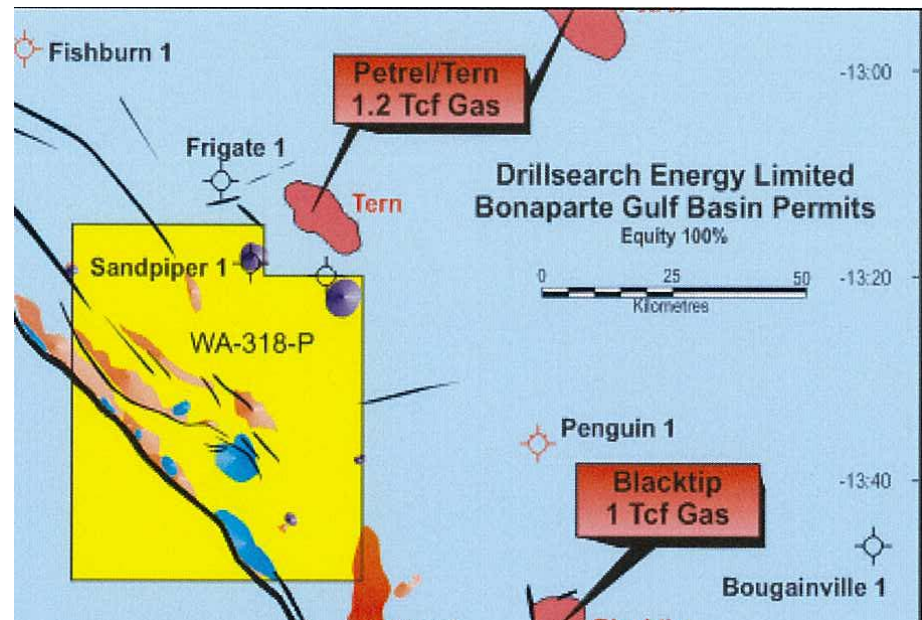
Bonaparte Basin – WA 13-R and NT/RL3

Permit Expiry Date	■ 15 October 2008
Renewal Periods	■ N/A (Retention Lease)
Relinquish on renewal	■ N/A
Participating Interests	■ Drillsearch 100.0%



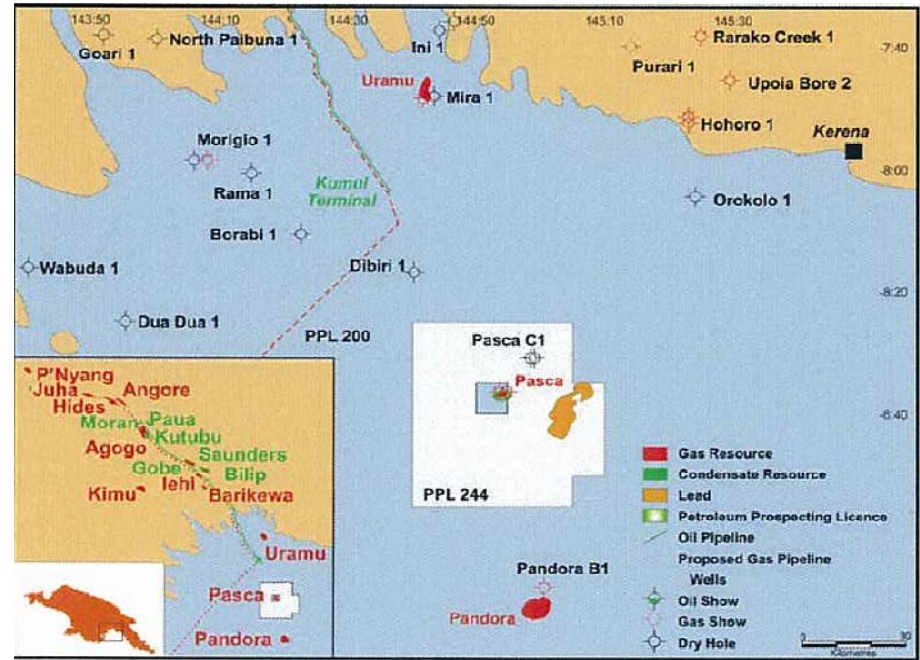
Bonaparte Basin – WA 318P

Permit Expiry Date	■ 12 December 2008
Renewal Periods	■ 2 x 5 years
Relinquish on renewal	■ 50.0%
Participating Interests	■ Drillsearch 25.0%
	■ Exxon 75.0%



Papua New Guinea – PPL 244

Permit Expiry Date	■ 24 February 2011				
Renewal Periods					
Relinquish on renewal					
Participating Interests	<table border="0"> <tr> <td>■ Drillsearch</td> <td>5.0%</td> </tr> <tr> <td>■ Exxon</td> <td>95.0%</td> </tr> </table>	■ Drillsearch	5.0%	■ Exxon	95.0%
■ Drillsearch	5.0%				
■ Exxon	95.0%				



Circumpacific Energy Inc – Canada

- Drillsearch owns 62.7% of Circumpacific
- Circumpacific holds various interests in the different permits

