

9 February 2012

Western Wet Gas Fairway - Coolawang-1 Exploration Well Spuds

- **Coolawang-1 wet gas exploration well spuds**
- **Prospective gross recoverable raw gas of up to 19.6 BCF (High)**
- **Primary target in the Patchawarra Formation**
- **Drilling expected to take 14-18 days**

Drillsearch Energy Limited (ASX: DLS) is pleased to announce the spudding of the third well in the Western Wet Gas Fairway exploration drilling program, Coolawang-1 at 0600hrs, Wednesday 9 February 2012. Drillsearch holds a 50% interest in PEL 106B and Beach Energy (ASX: BPT) as Operator holds 50%. Coolawang-1 is the third well in a four-well exploration drilling program in PEL 106B.

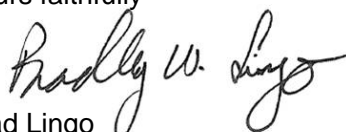
The Coolawang-1 wet gas exploration well is located approximately 2.3km north of the Canunda-1 Wet Gas Field and its primary targets are structural-stratigraphic traps in the Patchawarra Formation in close proximity to the existing PEL 106B wet gas discoveries. The Toolachee Formation and Tirrawarra Sandstone are considered secondary targets for wet gas. A 30 metre Permian coal core will also be acquired as part of the Joint Venture's ongoing evaluation of the permits coal seam gas potential. Drilling will be to a total depth of 2,825mRT and it is expected that the drilling will take 14-18 days.

The location of Coolawang-1 was selected by using the Spinel 3D seismic survey data acquired in 2007 and Coolawang-1 is estimated to have P10 High-side Gross Recoverable Prospective Resource potential of up to 19.6 BCF sales gas and associated hydrocarbon liquids. Details of the Coolawang Prospect are set out in the attached Prospect Data Sheet and accompanying maps.

Coolawang-1 Estimated Gross Prospective Resources			
	Best (P50)	Mean	High (P10)
Patchawarra Formation Recoverable Wet Gas (BCF)	5.09	8.39	19.60

Coolawang-1 will be drilled as a conventional vertical well with wireline logging and possible testing planned after the well reaches total depth. The primary target zone in the Patchawarra Formation is expected to be penetrated ten days after spud.

Yours faithfully



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About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional and unconventional 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.

Competent Person Statement

Information on the Reserves and Resources in this release is based on information provided to the company by Beach Energy Ltd as operator of the PEL 91 Joint Venture and compiled by Mr. David Evans, Chief Technical Officer of Drillsearch who has given his consent as of the date of this release to the inclusion of this statement and the information in the form and the context in which they appear in this release.

Attachments

Coolawang-1 Prospect Data Sheet

Well: Coolawang-1

Tenement: PEL 106B

Status: Exploration Well

Participants: Drillsearch Energy Limited: 50%
Beach Energy Limited (Operator): 50%

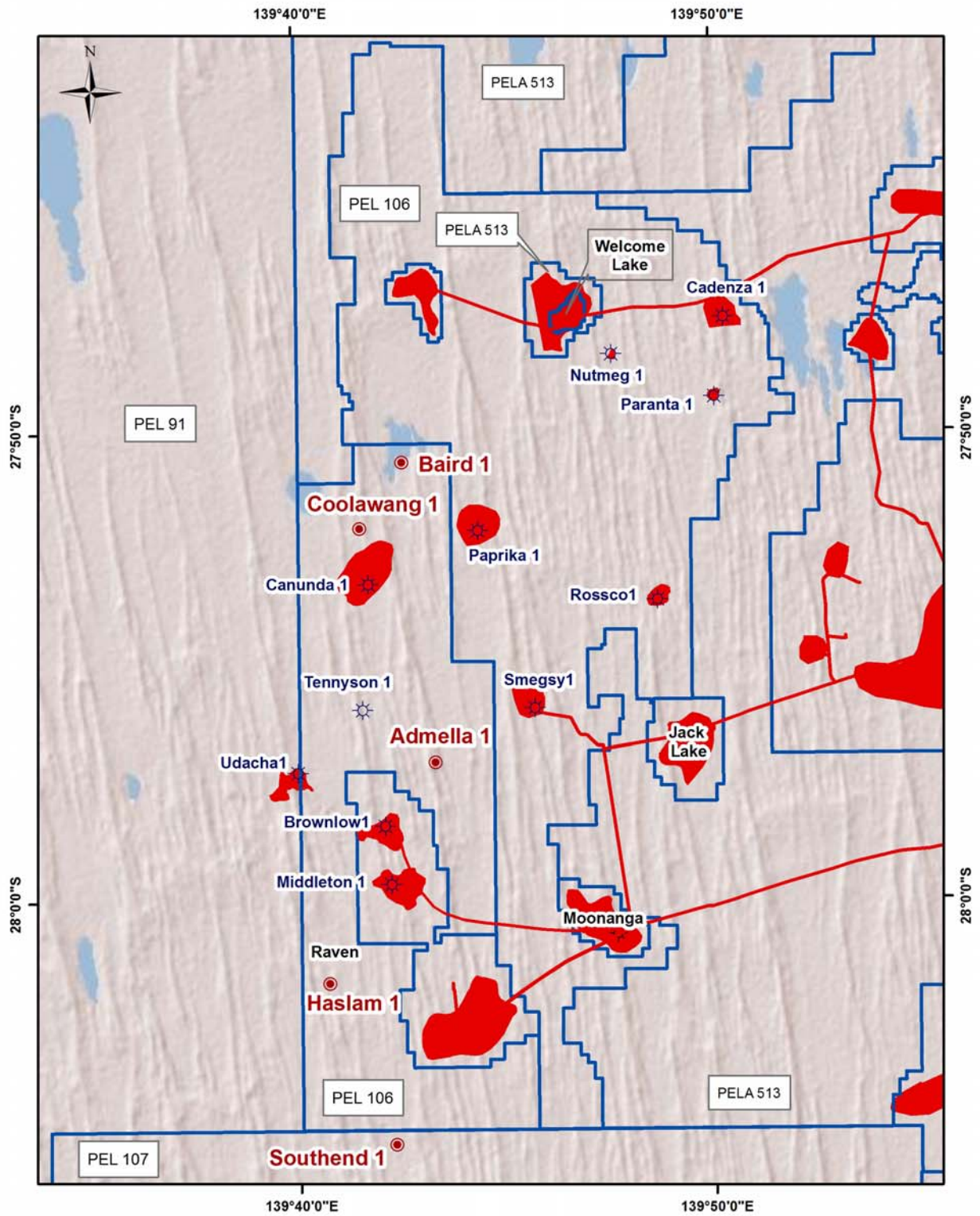
Location: Seismic Ref: 2007 Spinel 3D – ILN 1154, CDP 327
Latitude: 27⁰ 52' 03.05"S
Longitude: 139⁰ 41' 33.03"E
Northing: 6916 787 N
Easting: 371 280 E
Datum: GDA 94

Total Depth: 2,825 mRT (preliminary)

Primary Objective: Patchawarra Formation

Secondary Objective: Toolachee Formation
Tirrawarra Sandstone

Nearest Wells: Canunda-1: 2.3km to the south
Paprika-1: 4.7km to the east
Tennyson-1: 7.2km to the south



-  DLS Gas Discoveries
-  Proposed Wells
-  Gas Pipelines
-  DLS Exploration Permits
-  Gas Fields