

21 March 2012

Western Wet Gas Fairway - Haslam-1 Exploration Well Spuds

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

Drillsearch Energy Limited (ASX: DLS) is pleased to announce that after the success of Coolawang-1 that Haslam-1 the fourth well in the program has spudded on Tuesday 20 March at 13:00hrs. Drillsearch holds a 50% interest in PEL 106B and Beach Energy (ASX: BPT) as Operator holds 50%.

The Haslam-1 wet gas exploration well is located approximately 4.6km south, south-west of the Middleton-1 Wet Gas Field and its primary target are structural-stratigraphic traps in the Patchawarra Formation in close proximity to existing PEL 106B wet gas discoveries. The Toolachee Formation and Tirrawarra Sandstone are considered secondary targets for wet gas. Drilling will be to a total depth of 2,828mRT and it is expected that the drilling will take 14-18 days.

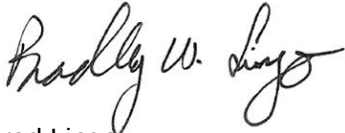
The location of Haslam-1 was selected by using the Spinel 3D seismic survey data acquired in 2007 and Haslam-1 is estimated to have P10 High-side Gross Recoverable Prospective Resource potential of up to 19.6 BCF sales gas and associated hydrocarbon liquids. Details of the Haslam Prospect are set out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

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

In PEL 106 and within the Patchawarra section and confined within shales, coals up to 9m thick have been intersected. The Joint Venture has agreed to cut up to 30 metres of core in the Haslam-1 well in order to target potential unconventional reservoir sequences. Once recovered, these cores will be desorption tested and analysed for overall gas contents to assess the prospectivity of these intervals as potential unconventional reservoir targets.

Haslam-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

Haslam-1 Prospect Data Sheet

Well:	Haslam-1
Tenement:	PEL 106B
Status:	Exploration Well
Participants:	Drillsearch Energy Limited: 50%
	Beach Energy Limited (Operator): 50%
Location:	Seismic Ref: 2007 Spinel 3D – ILN 258, CDP 257
	Latitude: 28° 01' 45.56"S
	Longitude: 139° 40' 44.19"E
	Northing: 689 8846 N
	Easting: 370 139 E
	Datum: GDA 94
Total Depth:	2,828 mRT (preliminary)
Primary Objective:	Patchawarra Formation
Secondary Objective:	Toolachee Formation
	Tirrawarra Sandstone
Nearest Wells:	Raven-4: 4.9km to the east
	Raven-1: 5.3km to the east, south-east
	Middleton-1: 4.6km to the north, north-east

