

12 November 2012

Bauer-9 appraisal well spuds

- **Bauer-9 well spuds**
- **Well to test the north-western area of Bauer Oil Field**
- **Potential to establish further northern extension of Bauer Oil Field**

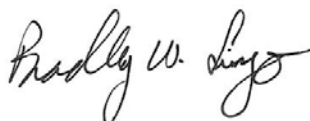
Drillsearch Energy Limited (ASX: DLS) is pleased to announce the spudding of Bauer-9 on Sunday, 11 November at 08:30 hours. Bauer-9 will be drilled as a deviated well due to surface location constraints and will appraise the north-western area of the Bauer Oil Field. The PEL 91 permit is held by a Joint Venture of Drillsearch (60%) and Beach Energy (40% and Operator).

The well is located 800 metres north west from the successful Bauer-8 development well, 1.6 km south-west of the Bauer North Oil discovery well and 2.8km west, south-west of the Basham-1 oil discovery well. With the recent new oil discovery at the Bauer North-1 exploration well, the Bauer-9 well will also appraise the potential for the Bauer and Bauer North fields to be part of a common oil pool. As previously announced, the Bauer Oil Field and the Bauer North Oil Discovery have a similar oil-water contact which suggests the fields may be part of a more extensive common oil pool.

The primary objectives of Bauer-9 are the McKinlay Member and the Namur Sandstone with the secondary objective being to assess the Birkhead Formation in light of oil discoveries in close proximity at Bauer-5 and Basham-1. The well has been defined using the Modiolus 3D seismic, acquired and processed in 2008 and then reprocessed with the Aquillus 3D in 2012.

Following the drilling of Bauer-9 the Ensign 930 rig will move to the exploration well Pennington-1 located 9.3km east of the Bauer-1 and the Bauer Oil Field.

Yours faithfully



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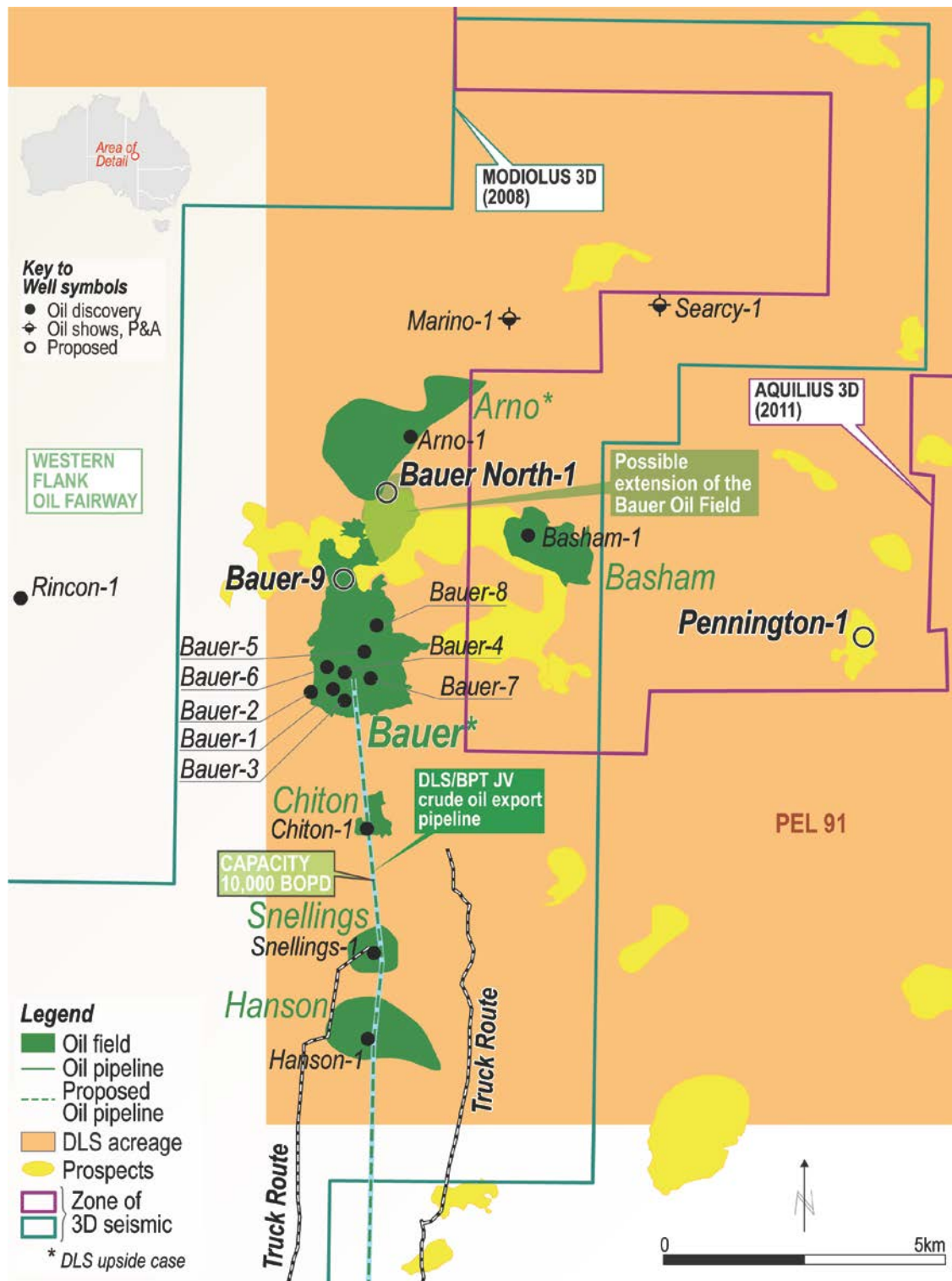
Or visit the website www.drillsearch.com.au and register for email alerts

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PEL 91 Western Flank Oil Fairway – Bauer Oil Field Development



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.