

Drillsearch Energy Limited

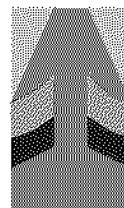
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16th January, 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

FOR PUBLIC RELEASE

Dear Sirs,

Re: 2006 Oil Drilling Programme – Tintaburra Block – Update

Drillsearch Energy Limited ("Drillsearch") announces an update on commencement of the major oil drilling initiative in the Tintaburra Block, ATP.299P, SW Queensland.

Update

The semi automated rig contracted by the operator from Precision Drilling has been assembled and is undergoing pre-drill testing.

Commencement of the 51 well programme is now anticipated for late January, 2006. A further update will be provided closer to that date. It is also planned to add a second rig to the programme in April 2006.

Participating interests in the block are:

Santos Limited	89% (Operator)
Drillsearch Energy Limited	10%
CPC Energy Pty Limited	1%

Drillsearch will participate at its 10% participating interest.

51 Oil Well Programme

Details of this programme were provided to the ASX in Drillsearch's announcement of 7th December, 2005.

Yours faithfully,

DRILLSEARCH ENERGY LIMITED

**PHILIP F. KELSO
MANAGING DIRECTOR**