

25 November 2010

Sale of Circumpacific Energy Corporation to Western Petroleum Commodities Inc. Completes

Drillsearch Energy Ltd (ASX: DLS) is pleased to announce that today it received CDN \$5,853,886.20 [AUD \$5,871,500.70] sale proceeds in full and final settlement for the sale via a Plan of Arrangement of its 79.37% stake in TSX.V listed Circumpacific Energy Corporation (CER.V) from Western Petroleum Commodities Inc (WPC).

As part of the Arrangement, DLS purchased from CER its interest in the eight exploration tenements known as the South West Queensland Blocks which are held in joint venture by DLS and CER and operated by DLS for CDN \$1.8 million. The sale proceeds received are net of the cost of acquisition of the South West Queensland Blocks and other transactional expenses.

Managing Director Brad Lingo stated "We are extremely pleased to see the successful conclusion of this transaction. It has taken considerable time and management effort to ensure that both the interests of Minority Shareholders and Drillsearch were optimised. We have a very exciting exploration program in the Western Flank Oil Fairway kicking off in January and we also are planning expanded appraisal and development activity in the Western Cooper Gas & Liquids Project with Beach Energy. The funds realised from the sale of our interest in CER will allow us to increase our efforts in both these projects."

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About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional 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. The company also has offshore exploration interests in the Gippsland Basin.