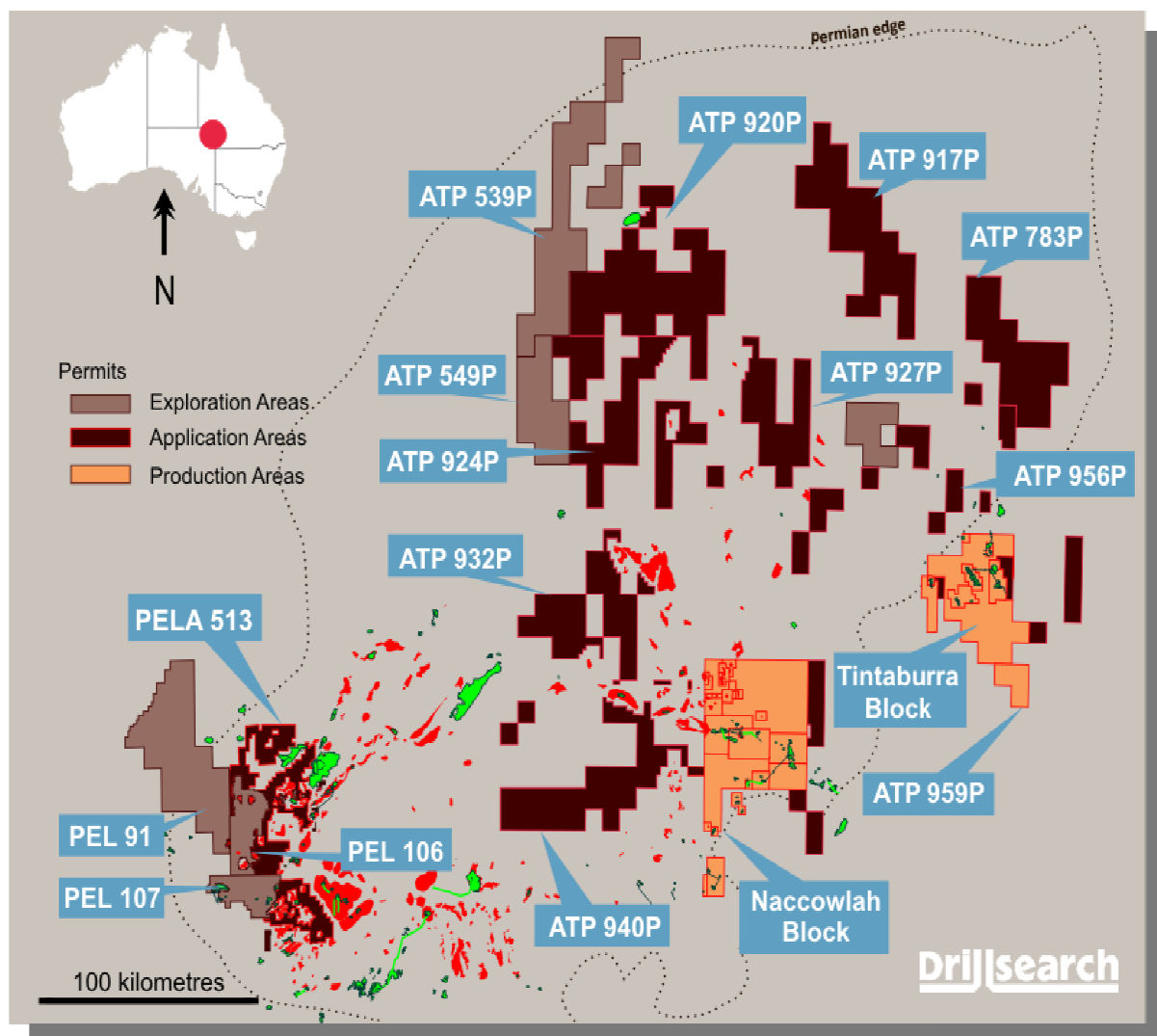


23<sup>rd</sup> December

## Drillsearch acquires additional interests in SW Queensland Western Flank Oil Fairway

Drillsearch Energy Ltd (ASX: DLS) is pleased to announce that it has acquired all of the remaining Queensland petroleum interests held by Bandanna Energy Ltd (ASX: BND) being interests in ATP539P, ATP549P West and PL18. The total consideration paid to acquire all of Bandanna's remaining interest is \$150,000. The acquisition of these remaining interests follows Drillsearch's acquisition of Bandanna's interests in the Western Cooper Gas & Liquids Project in PEL 106 A for \$1.3 million which was previously announced on 6 September 2010



Following the acquisition Drillsearch will hold 100% of ATP539P. This permit is well known to Drillsearch with the company already holding Operatorship. This increased exposure to this area in northern SW Queensland Western Flank Oil Fairway follows an extensive review of SW Queensland oil potential in conjunction with the grant of eight other application permits in South West Queensland. In addition to the interest in ATP 539, subject to the finalization of certain arrangements with Icon Energy Ltd, Drillsearch will also hold a 66.67% interest in ATP 549P West which is immediately adjacent to ATP 539 (see map above). Drillsearch currently holds a 25% interest in ATP 549 West.

Commenting on this acquisition, Drillsearch Managing Director, Mr Brad Lingo said “This acquisition is about Drillsearch gaining control over key acreage in the northern SW Queensland area and facilitates an unparalleled opportunity to pursue our belief that the northern SW Queensland portion of the Eromanga Basin has oil potential which has yet to be systematically reviewed and tested – which Drillsearch will now proceed with. There is clearly potential for another oil field like the Inland Oil discovery.”

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If you would like to register for email alerts please go to the Register Page on our website.

**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.