

21 April 2011

## Western Cooper Project Updates

- **Canunda-1 Extended Production Testing complete, producing better than expected results of over 12,000 bbls (gross) of condensate over 12.5 days**
- **Beach Energy, as operator of PEL 91 advises that essential repairs are required to the Ensign #18 rig and are expected to take an additional 2-3 weeks to complete before spudding the Hanson-1 exploration well**

### Canunda-1 Extended Production Testing Produces Encouraging Results

Drillsearch Energy Ltd (ASX: DLS) as part of the PEL 106B Joint Venture is pleased to announce that the Extended Production Testing (EPT) of the Canunda-1 Condensate/Wet Gas Discovery has concluded producing better than expected results. Over the duration of the EPT, the reconfigured Canunda-1 well has produced over 12,000 bbls of condensate and 63 mmscf (gross) of raw gas.

Mr Brad Lingo, Managing Director said “The encouraging results of the EPT highlight the benefits of our strong focus on the Cooper-Eromanga Basin and our Wet Gas business. We are now considering the further development of and commercialisation options for the project.”

On average the well produced 4 MMscfd gas with 800 bopd of condensate on a 29/64” choke. At the higher choke rate of 38/64” Canunda-1 produced 6 MMscfd gas and 1,100 bopd of Condensate. The well will be shut in pending further evaluation of subsurface pressure data to determine the size of the gas reservoir.

The PEL 106B Joint Venture is Drillsearch 50% and Beach Energy Ltd 50% as operator.



Canunda-1 Workover

## PEL 91 Drilling Program Update

Beach Energy Ltd, as Operator of PEL 91 has advised that essential repairs on the Ensign #18 drilling rig are required and are expected to take two to three weeks to complete. These repairs were unforeseen at the time of contracting for the rig and not identified until the rig was undergoing its full safety and pre-drill inspections. These repairs and any rig preparation time will not be at Joint Venture expense.

Mr Brad Lingo, Managing Director notes that “While this is a frustrating delay to the spudding of Hanson-1, the safety of our sites is paramount and the repairs must be made before drilling can commence. Every effort is being made to get it ready for spudding in a timely and safe manner.”

For further information please contact



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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.

### 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 and PEL 106 Joint Ventures 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.