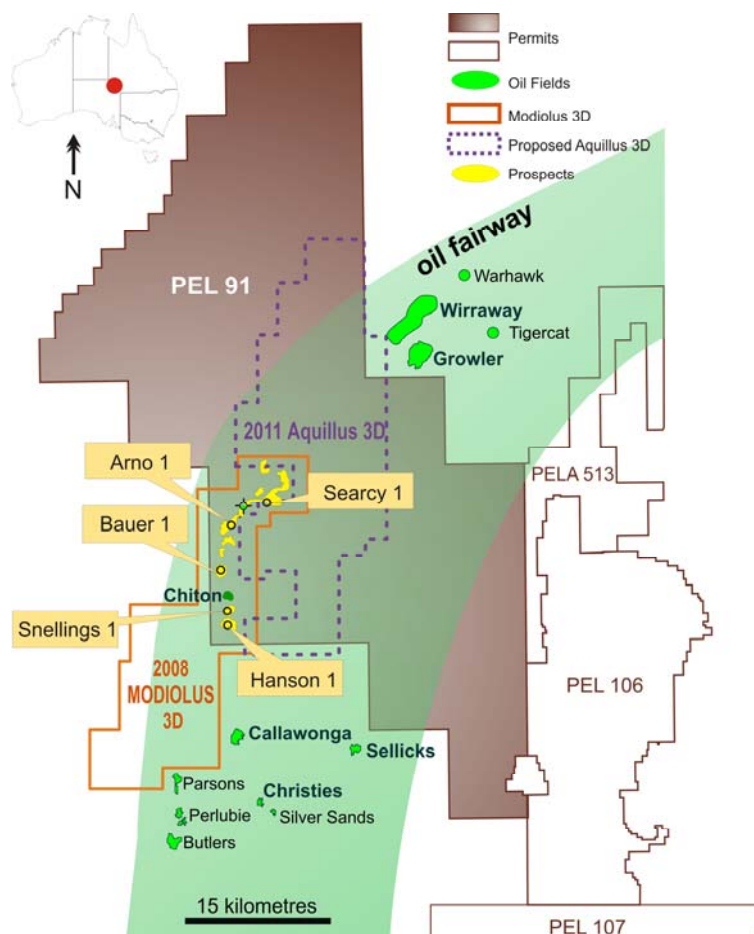


23 May 2011

## Western Flank Oil Fairway - Hanson-1 Oil Exploration Well Spuds

- Hanson-1 oil exploration well spuds
- Targeting up to 2 million barrels recoverable oil
- Drilling expected to take 10-14 days

Drillsearch Energy Limited (ASX: DLS) is pleased to announce that the Western Flank Oil Fairway drilling program has begun with the spudding of the first well in a five well program. The Hanson-1 well spudded at 5.00pm (CST), Saturday 21 May 2011. Drillsearch holds a 60% Interest in PEL 91 while Beach Energy (ASX: BPT) as operator holds 40%.



Hanson-1 is an oil exploration well located 3.5km south of the Chiton Oil Discovery (see map above). The well is targeting the primary objective of the Namur Sandstone which is the productive oil reservoir in the Chiton Oil Discovery and in numerous oil discoveries – Callawonga, Butler, Parsons - in the adjacent permit PEL 92 to the south of the Hanson Prospect. The Birkhead Formation, Hutton Sandstone and Poolowanna Sandstones are considered secondary targets for

oil and have been proven at the Christies and Sellicks oilfields to the south and south east of Hanson-1. Drilling will be to a total depth of 1950mRT and it is expected that the drilling will take 10-14 days.

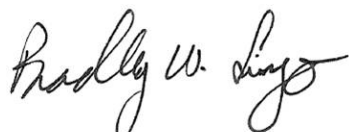
Seismic mapping of the Namur horizon indicates that the Hanson Structure has approximately 10 metres of independent structural relief and potentially encloses an area of 1.5km<sup>2</sup>. The Hanson Prospect is estimated to have a Mean Recoverable Prospective Resource of 820,000 barrels of oil and a High-side Recoverable Prospective Resource potential of up to 2.0 million barrels of oil. Details of the Hanson Prospect are set out in the attached Prospect Data Sheet and accompanying maps and seismic sections.

Hanson-1 will be drilled as a conventional vertical well with logging and possible testing planned after the well reaches total depth. The main target zone is expected to be penetrated 5 to 7 days after spud.

Mr Brad Lingo, Managing Director noted that "The spudding of Hanson marks the beginning of an extensive drilling programme in the Western Oil Fairway that is predicated on comprehensive seismic and geological research and analysis we have undertaken on this highly prospective play".

As set out in our ASX Announcement on the Western Flank Oil Fairway 5 well drilling outline dated 12 April 2011, further announcements will be made regarding the Hanson-1 well on completion and with the encountering of any significant results.

Yours faithfully



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**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.

**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.

## Attachments

### Hanson-1 Prospect Data Sheet

Well: Hanson-1

Tenement: PEL 91

Status: Exploration Well

Participants: Drillsearch Energy Limited: 60%  
Beach Energy Limited (Operator): 40%

Location: Seismic Ref: Modiolus 3D – Inline 3112, CDP 10974  
Latitude: 27<sup>0</sup> 48' 51.97"S  
Longitude: 139<sup>0</sup> 21' 10.47"E  
Northing: 6 922 264 N  
Easting: 337 764 E  
Datum: GDA 94

Total Depth: 1950 mRT (preliminary)

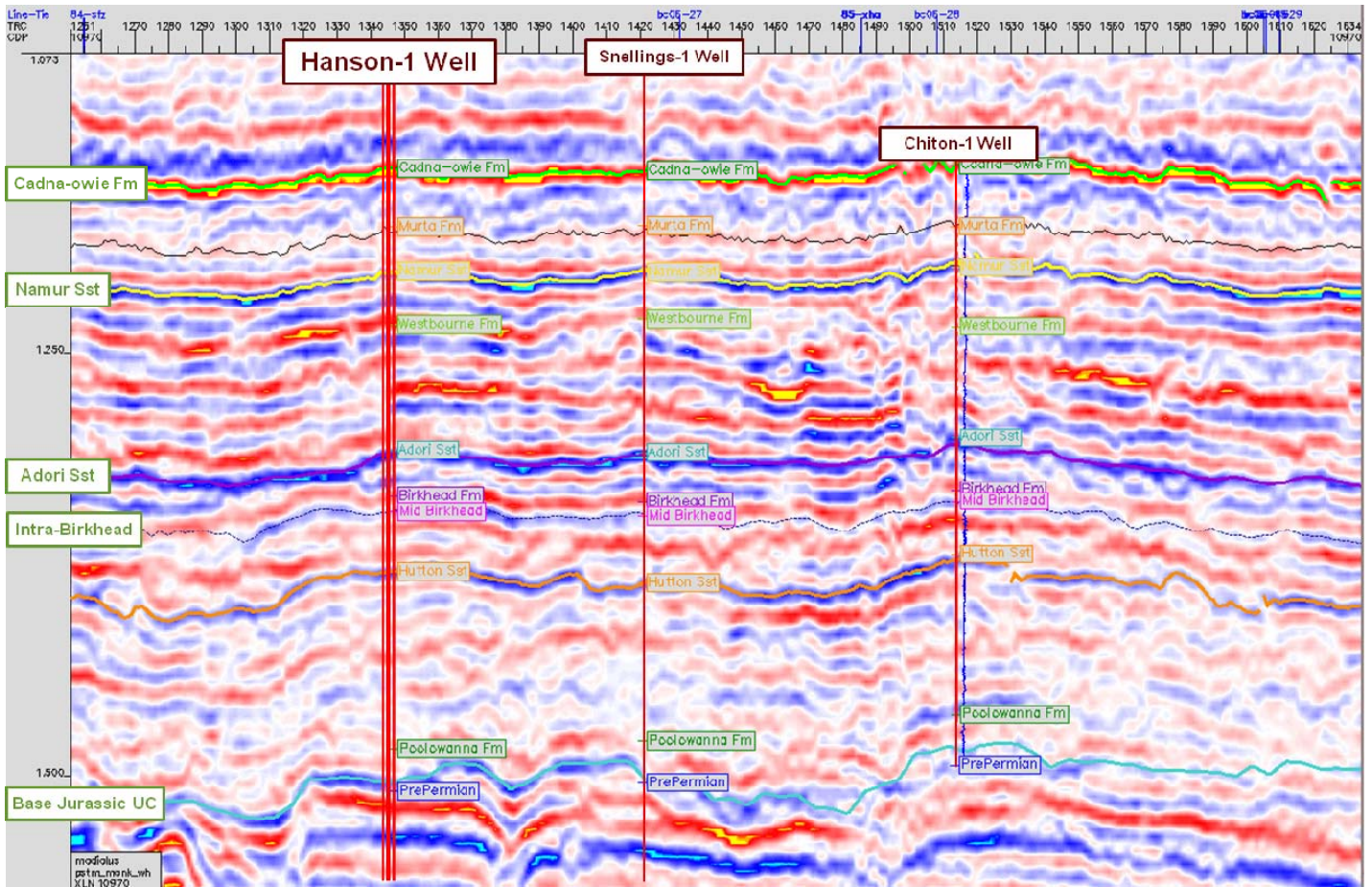
Elevation: Ground Level: 18.4m above MSL (approx)  
RT: 20m above MSL approx (dependant on rig)

Primary Objective: Namur Sandstone

Secondary Objective: Birkhead Formation Sandstones  
Hutton Sandstone  
Poolowanna Sandstone

Nearest Wells: Chiton-1: 3.5km to the north  
Lhotsky-1: 7.5km to the south  
Murninnie-1: 8.5km to the south-west  
Marino-1: 12.6km to the north

# Seismic Traverse (south-north) from Hanson-1 (91-48 south) to Snellings-1 to Chiton-1



Namur Sandstone Time Structure Map

PEL91 : Hanson Prospect

