

3 June 2011

Hanson-1 – Cased & Suspended as Future Oil Producer

- **The Hanson-1 oil exploration well will now be cased and suspended as a future Namur oil producer**
- **Namur pay zone estimated to contain up to 1 million barrels recoverable oil**
- **Testing of Birkhead Formation oil shows completed**
- **Hanson Oil Field expected to be in production in 3rd Quarter 2011**

Drillsearch Energy Limited (ASX: DLS) is pleased to announce that the drilling of the Hanson-1 oil exploration well in PEL 91 is now completed and the well has been cased and suspended as a future Namur oil producer in the Hanson New Oil Field Discovery. The PEL 91 Joint Venture is Drillsearch 60% and Beach Energy Ltd 40% as Operator.

Beach Energy Ltd (ASX: BPT) as Operator of the PEL 91 Joint Venture has advised that preliminary volumetric assessments suggest that the Hanson Oil Discovery contains up to 1 million barrels of recoverable oil (600,000 barrels net to Drillsearch) in the Namur Sandstone pay zone. The Hanson-1 well is expected to be on-line in the third quarter 2011.

Additional testing has also been conducted over the secondary target Birkhead Formation to evaluate oil shows identified over a 24 metre section. Beach has advised that oil shows within the prognosed secondary target Birkhead Formation were Drill Stem Test (DST) over the interval 1641–1655.5 metres and recovered 0.42 barrels of mud, possible formation water and trace oil. Further evaluation of the wireline logs and test data from the Birkhead Formation are being assessed to.

The Ensign rig #18 is now moving to drill the Snellings-1 oil exploration well drilling site located 1,500 metres to the north of the Hanson-1 Oil Discovery and 1,900 metres south of the Chiton Oil Field. The Snellings-1 oil exploration well is expected to spud early next week and once the well is spudded a further update will be provided on the well and prospect.

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 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.