

November Drilling Report

- Six successful wells delivered during November including two wet gas discoveries
- Oil Business:
 - Four new development wells cased and suspended in PEL 91
- Wet Gas Business:
 - Varanus South-1 discovery in PEL 513 in the Western Cooper Wet Gas project area, the first by the new joint venture with Santos
 - Maupertuis-1 cased and suspended on a sole risk basis by Drillsearch as a discovery in PEL 106
 - Vanessa-1 production test begins in PEL 182
- Unconventional Business:
 - Fourth well in the ATP 940 drilling campaign spudded at Amidala-1
 - Hydraulic stimulation campaign restarts at Anakin-1

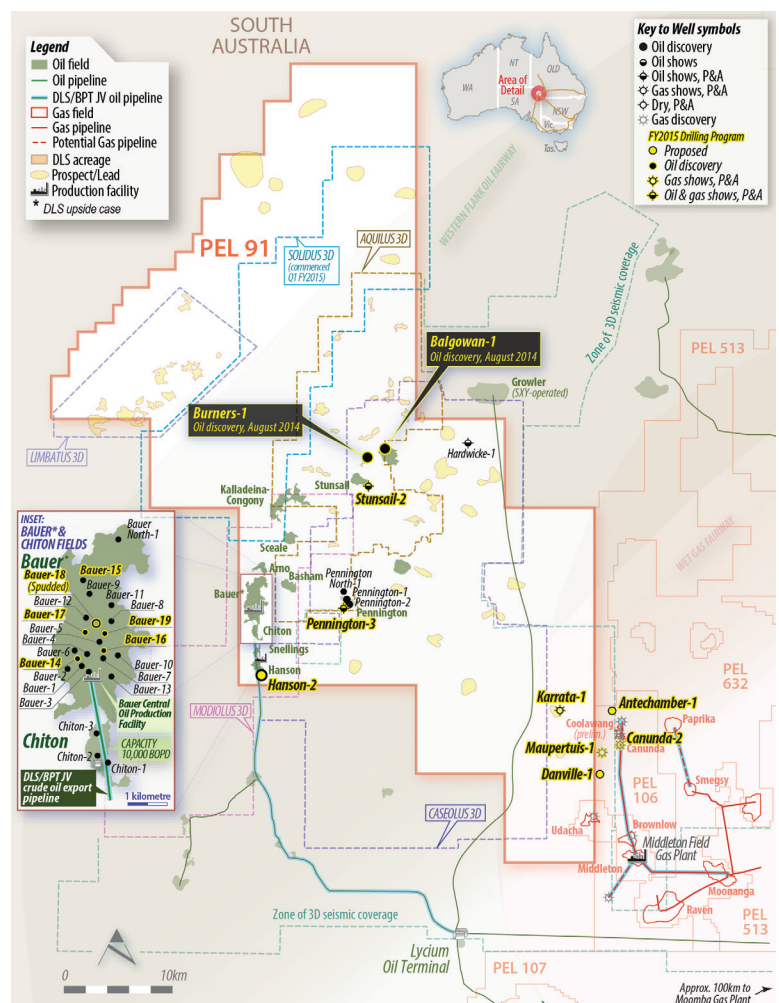
Oil Business

Western Flank Oil Fairway - PELs 91 and 182

The Bauer development drilling campaign in PEL 91 (Drillsearch 60% and Beach 40% and Operator) continued with a further four wells cased and suspended during November, following the drilling of Bauer-14 in October. Bauer-15 was drilled in the northerly section of the field and was cased and suspended as a future producer.

Bauer-16, -17, -18, and -19 are deviated wells from a single pad location in the central part of the Bauer field. Given the close proximity of these wells a pad drilling approach was implemented eliminating the need for rig re-mobilisation. A 'sideways walk' of the rig achieves savings in terms of footprint, drilling time and costs.

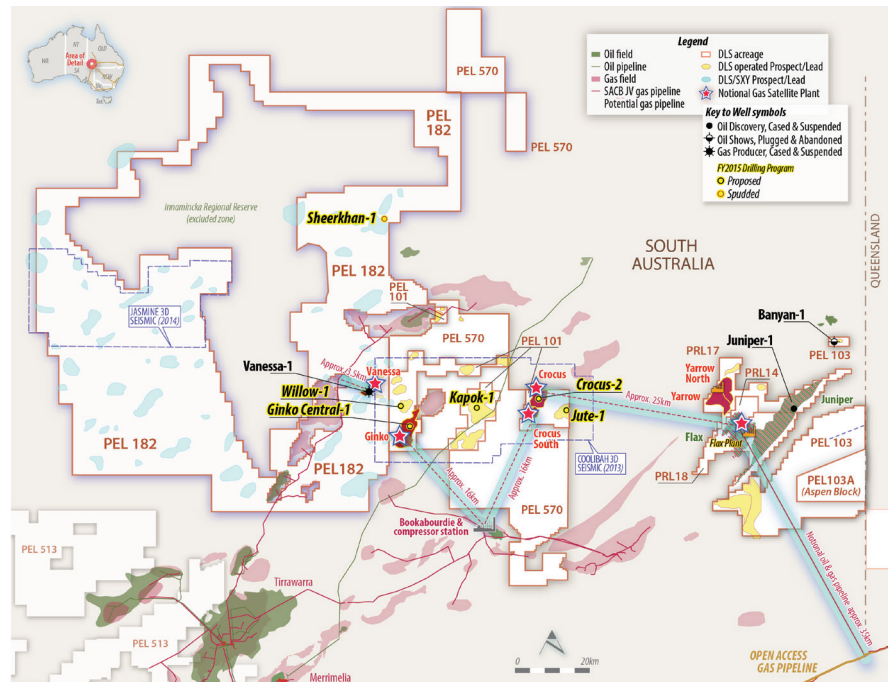
By 1 December, Bauer-16, -17 and -19 had all been cased and suspended as future producers, while the last well to be completed, Bauer-18, is due to reach total depth in the coming days. All of these development wells will be connected into the Bauer production facility in due course. Following Bauer-18, the next development well to be drilled will be Hanson-2 (see map) which is expected to spud in mid-January 2015.



The PEL 182 joint venture (Drillsearch 47% and Senex 53% and Operator) spudded the Sheerkhan-1 exploration well in the northeast of the permit on 19 November 2014. Initial logs indicate hydrocarbon shows in the Birkhead Formation. Further testing and evaluation will continue before the final result of the well is known.

Northern Cooper Gas and Liquids Project Area – PRLs 14, 17, 18, PEL 103

In PRL 14, the recertification of the Flax production facility will be completed by mid-December 2014 after which the facility will be ready to accept production, with Flax-3, -4 and -6 due to come online at that time. At Flax-1, a nitrogen lift was conducted during November with limited success, and so remediation work will now be undertaken in order to improve productivity and allow the well to be brought back online.

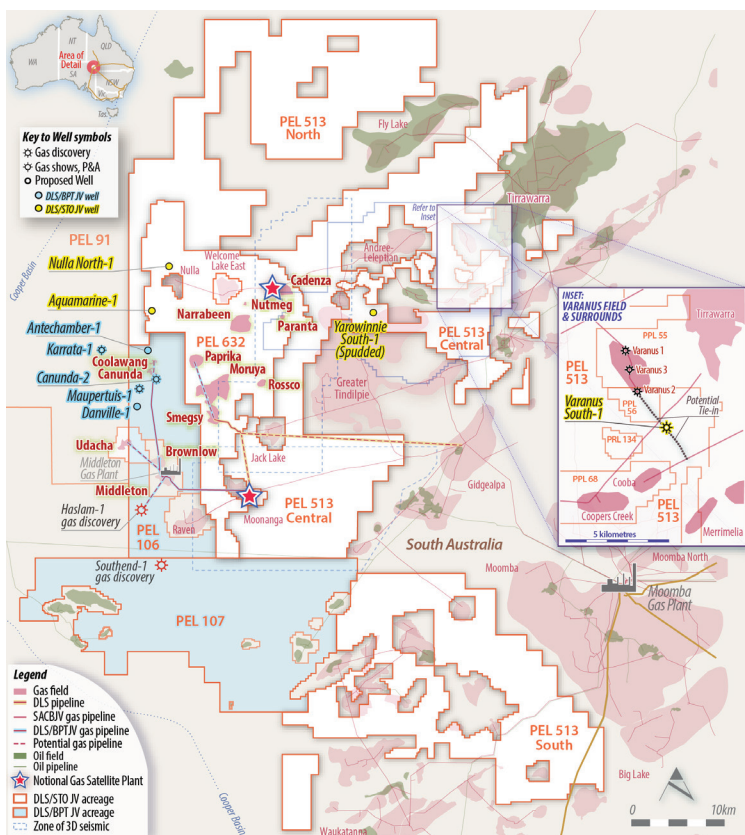


Wet Gas Business

Western Wet Gas Fairway - PELs 106, 107, 513 and 632

The second well to be drilled in PEL 106 this financial year by the joint venture between Drillsearch and Beach Energy (Drillsearch 50%, Beach 50% and Operator) spudded on 14 November 2014. Maupertuis-1 is located 1.7km to the southwest of the successful Canunda-2 development well. Preliminary evaluation of the logs indicates the presence of good hydrocarbons in the Tirrawarra Formation, a formation that to-date has not been tested in the area immediately surrounding Maupertuis-1. Drillsearch has elected to sole risk the casing and suspension of Maupertuis-1 for future testing and evaluation.

The next well in the current campaign will be Antechamber-1 which is located 3.5km to the northeast of Maupertuis-1. Antechamber-1 is expected to take 8-12 days from spud date to reach the proposed total depth of 2,800 metres.



On 27 November 2014, Drillsearch announced the first wet gas discovery made by the Drillsearch and Santos joint venture (Drillsearch 40% and Santos 60% and Operator) in PEL 513. The Varanus South-1 well was drilled to a total depth of 3,154 metres as a near-field exploration well. Drillsearch's preliminary

interpretation of wireline logs has confirmed an aggregate best estimate of 18 metres of net gas pay over a gross interval of 365 metres in the Patchawarra Formation and an additional 9 metres of net hydrocarbon pay over a gross interval of 37 metres in the Tirrawarra Formation. As a result, the well has been cased and suspended as a future wet gas producer.

Following casing and suspension of Varanus South-1, the rig moved to Yarowinnie South-1 where the well was spudded on 28 November 2014. Yarowinnie South-1 is located 7.0km southwest of Varanus South-1 and also has a primary target in the Patchawarra Formation and a secondary target in the Tirrawarra Formation.

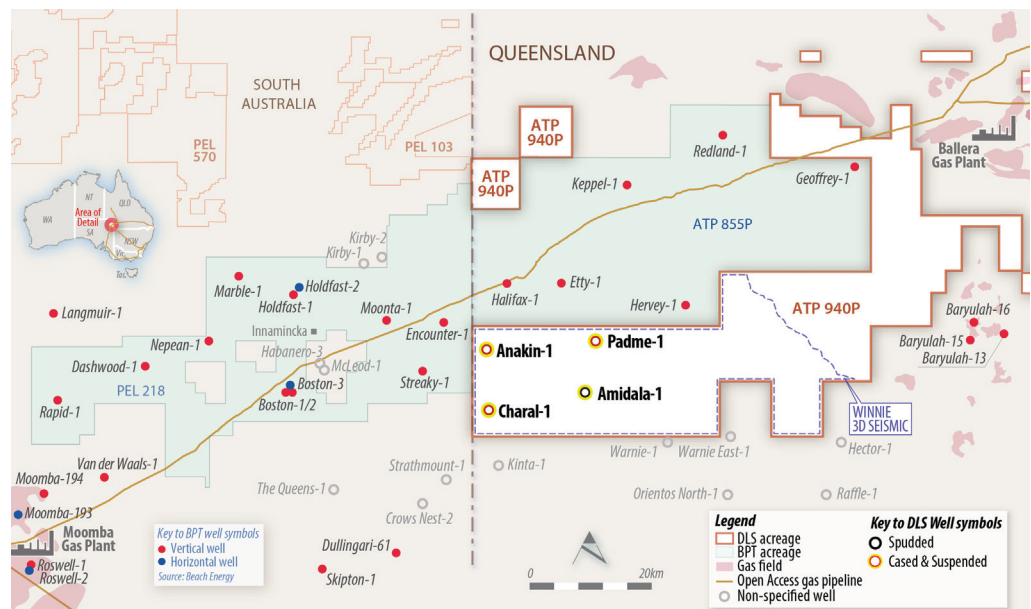
Northern Cooper Wet Gas Project Area – PEL 182

In PEL 182, the joint venture (Drillsearch 47%, Senex 53% and Operator), has commenced a Production Test at the Vanessa-1 wet gas field, which was originally discovered in 2007. The current test involves completing the well and conducting a test to quantify the reserve and gauge well deliverability.

Unconventional Business

Central Unconventional Fairway - ATP 940

In ATP 940 (Drillsearch 40% and Operator, QGC 60%), the fourth well in the current program, Amidala-1, was spudded on 20 November 2014 and is expected to reach proposed total depth of 3,488 metres early in the March quarter. As of 3 December 2014, the well had reached 1,820 metres and was drilling ahead. The hydraulic stimulation campaign at Anakin-1 recommenced this week and at Charal-1 production testing is also due to commence in December 2014.



Monthly Drilling Summary

Well	Participants	Progress & Summary	Primary Target	Secondary Targets
Oil Wells				
Bauer - 15	DLS 60%	Spud Date: Friday, 31 October 2014	McKinlay Member	
PEL 91 / PPL 253	BPT* 40%	Rig Release: Saturday, 8 November 2014	Namur Sandstone	
Oil Business		Depth: 1,721 m (TD)		
Western Flank Oil		Operation: Cased and Suspended		
C/E Basin, SA		Progress: 1,721 m (TD)		
Bauer - 19	DLS 60%	Spud Date: Thursday, 13 November 2014	McKinlay Member	
PEL 91 / PPL 253	BPT* 40%	Rig Release: Friday, 21 November 2014	Namur Sandstone	
Oil Business		Depth: 1,434 m (TD)		
Western Flank Oil		Operation: Cased & Suspended		
C/E Basin, SA		Progress: 1,434 m (TD)		

Well	Participants		Progress & Summary		Primary Target	Secondary Targets
Oil Wells						
Sheerkhan - 1	DLS	43%	Spud Date:	Wednesday, 19 November 2014	Poolowanna Formation	Birkhead Formation
PEL 182	SXY*	57%	Rig Release:	Thursday, 4 December 2014 (Targeted)		Hutton Formation
Oil Business			Depth:	2,350 m (TD)		Tinchoo Formation
Northern Cooper Gas & Liquids			Operation:	Assessment of DST data		
C/E Basin, SA			Progress:	2,350 m (TD)		
Bauer - 16	DLS	60%	Re-entered:	Saturday, 22 November 2014	McKinlay Member	
PEL 91 / PPL 253	BPT*	40%	Rig Release:	Tuesday, 25 November 2014	Namur Sandstone	
Oil Business			Depth:	1,515 m (TD)		
Western Flank Oil			Operation:	Cased & Suspended		
C/E Basin, SA			Progress:	1,515 m (TD)		
Bauer - 17	DLS	60%	Re-entered:	Wednesday, 26 November 2014	McKinlay Member	
PEL 91 / PPL 253	BPT*	40%	Rig Release:	Monday, 1 December 2014	Namur Sandstone	
Oil Business			Depth:	1,583 m (TD)		
Western Flank Oil			Operation:	Cased & Suspended		
C/E Basin, SA			Progress:	1,583 m (TD)		
Bauer - 18	DLS	60%	Re-entered:	Tuesday, 2 December 2014	McKinlay Member	
PEL 91 / PPL 253	BPT*	40%	Rig Release:	Sunday, 7 December 2014 (Targeted)	Namur Sandstone	
Oil Business			Depth:	1,566 m (Proposed)		
Western Flank Oil			Operation:	Drilling ahead		
C/E Basin, SA			Progress:	1,173 m		
Wet Gas Wells						
Varanus South - 1	DLS	40%	Spud Date:	Saturday, 8 November 2014	Patchawarra Formation	Tirrawarra Sandstone
PEL 513	STO*	60%	Rig Release:	Tuesday, 25 November 2014	(gas/condensate)	(gas/condensate)
Wet Gas Business			Depth:	3,154 m (TD)		
Western Wet Gas			Operation:	Cased & Suspended		
C/E Basin, SA			Progress:	3,154 m (TD)		
Mauertuis - 1	DLS	50%	Spud Date:	Friday, 14 November 2014	Patchawarra Formation	Tirrawarra Sandstone
PEL 106 / PPLA 257	BPT*	50%	Rig Release:	Tuesday, 2 December 2014	(gas/condensate)	(gas/condensate)
Wet Gas Business			Depth:	2,814 m (TD)		
Western Wet Gas			Operation:	Cased & Suspended		
C/E Basin, SA			Progress:	2,814 m (TD)		
Yarowinnie South - 1	DLS	40%	Spud Date:	Friday, 28 November 2014	Patchawarra Formation	Tirrawarra Sandstone
PEL 513	STO*	60%	Rig Release:	Tuesday, 16 December 2014 (Targeted)	(gas/condensate)	(gas/condensate)
Wet Gas Business			Depth:	3,096 m (Proposed)		
Western Wet Gas			Operation:	Drill 6 3/4" hole		
C/E Basin, SA			Progress:	1,790 m		
Unconventional Wells						
Amidala - 1	DLS*	40%	Spud Date:	Thursday, 20 November 2014	Roseneath/Murteree Shale	Daralingie Sandstone
ATP 940	QGC	60%	Rig Release:	Wednesday, 21 January 2015 (Targeted)	Patchawarra Formation	Toolachee Sandstone
Unconventional Business			Depth:	3,488 m (Proposed)		Epsilon Formation
Central Unconventional			Operation:	Drill 12 1/4" hole		Tirrawarra Sandstone
C/E Basin, QLD			Progress:	1,820 m		

* Indicates operator

For further information please contact:

Brad Lingo
Managing Director
+61 2 9249 9600
admin@drillsearch.com.au

Dudley White
GM – Corporate Communications
+61 2 9249 9669
dudley.white@drillsearch.com.au

Drillsearch Energy Limited (ASX: DLS) is one of the leading mid-tier oil and gas companies listed on the ASX. The company has undergone rapid growth over the past five years to become Australia's third-largest onshore oil producer, and one of the largest acreage holders in the prolific Cooper Basin. Drillsearch has assets that span the exploration, development and production continuum within Oil, Wet Gas and Unconventional. Its operations are highly profitable, and its work programs are fully funded from internal cash flow through FY2016. Drillsearch has successfully formed a number of key strategic alliances with leading players in the Australian and international exploration and production industry, including QGC, Santos Limited and Beach Energy Limited.