

**ASX Announcement**  
**16 March 2015**

## **New Wet Gas Discovery at Kyanite-1**

- **Fourth discovery from five wells drilled by the Drillsearch-Santos JV**
- **Multiple potential completion zones identified**
- **Cased and suspended as a future producer**

Drillsearch Energy Limited (ASX: DLS) is pleased to announce a new wet gas discovery on the Western Cooper Wet Gas Fairway of the Cooper Basin, the fourth discovery out of five wells drilled by the Company's joint venture with Santos (Drillsearch 40%, Santos 60% and Operator).

The Kyanite-1 near-field exploration well in PEL 513 was drilled to a total depth of 3,354 metres. Excellent gas shows were observed across the Patchawarra and Tirrawarra Sandstone/Merrimelia Formations from 250 to 3,795 total gas units, with stacked reservoirs identified.

Drillsearch's preliminary interpretation of wireline logs has confirmed an aggregate estimate of 24.2 metres of net conventional gas pay over several intervals in the Patchawarra Formation, with a gross interval of 534.3 metres. In addition, 8.5 metres of net gas pay were encountered over a gross interval of 59.1 metres in the Tirrawarra Sandstone/Merrimelia Formation. The potential for multiple completion targets has been observed, and formation pressure testing identified good permeability. In addition to the conventional pay, several zones with potential for significant unconventional pay were also observed.

Based on the results of this preliminary analysis, Kyanite-1 has been cased and suspended as a future gas producer.

Kyanite-1 is located 17.5 kilometres due east of the Middleton-1 well in PPL 239 (Drillsearch 50%, Beach Energy 50% and Operator) and 8.9 kilometres northeast of the South Australian Cooper Basin Joint Venture's ("SACBJV") Moonanga-1 well which produces gas from the Patchawarra Formation. The discovery is close to existing SACBJV gathering system infrastructure.

Drillsearch Managing Director Brad Lingo said:

*"We have been delighted by the results of our campaign with Santos, for which Drillsearch is free carried through the remainder of FY2015. Kyanite-1 is Drillsearch's sixth wet gas discovery in FY2015, which represents an exceptional return from this year's work program."*

*"Kyanite-1 is located close to existing infrastructure and we look forward to working with Santos to bring this discovery into production. Western Wet Gas continues to be a major area of focus for Drillsearch in line with the company's recent reprioritisation to focus on assets delivering near-term production, cash flow and reserves."*

Kyanite-1 is the fifth well out of eight to be drilled by Drillsearch and Santos in FY2015. Under the joint venture agreement announced in July 2013, Drillsearch is free carried through the initial part of the work program. Following casing and suspension of Kyanite-1, the rig will move to drill the Spinel-1 well, which is located to the southwest of Kyanite-1 and due east of Moonanga-1.

**Drillsearch**

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## Western Cooper Wet Gas Project Areas

