

Weekly Drilling and Operations Update

Drillsearch Energy Limited, (ASX:DLS) which listed on the ASX on 2 July 1987, explores and develops conventional oil and gas projects. Drillsearch Energy has recently merged with Great Artesian Oil and Gas (ASX:GOG), by way of Scheme of Arrangement, details of which were announced on 18 April 2008. The merger between the companies has resulted in a strategic spread of petroleum exploration and production acreage in Australia's most prolific onshore oil and gas province, the Cooper and Eromanga Basins in Queensland and South Australia as well as offshore exploration in the Bonaparte, Carnarvon, Otway, and Gippsland Basins. Additionally Drillsearch Energy has interests in PNG and Canada. The company focus is on 'brownfields' exploration where geological risk is reduced and there is access to existing infrastructure, which ensures that any discoveries can be brought into production rapidly.

Drillsearch Energy Limited (ASX:DLS) is pleased to provide an update on recent operation activities.

WA-352P

Drillsearch commenced the acquisition of 300km of 2D seismic in the Permit on 8 January 2009; acquisition was completed on 10 January 2009.

The survey was undertaken by CGG Veritas using the Pacific Sword vessel. There was no downtime during the acquisition of the survey and the survey was completed shortly before noon on 10 January 2008.

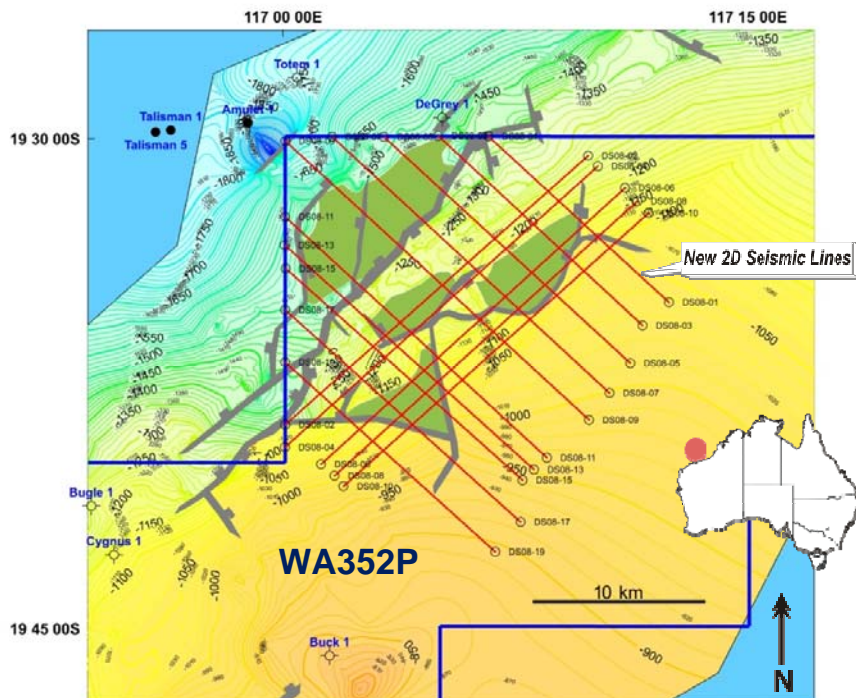
The survey is designed to delineate four structural leads identified on vintage seismic data updip of the Talisman Oilfield and Amulet oil discovery. The prospects are mapped at the Legendre Formation level and range in size from 50 to 300 mmbbls recoverable reserves. The WA-352-P permit is located on the DeGrey Nose prognosed to be a regional focus for hydrocarbons generated in the Dampier Sub-Basin as they migrate towards the basin margin.

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SW Queensland Cooper-Eromanga

Drillsearch expects to spud two wells during January; one exploration well in ATP 539P and an oil appraisal well in PL 23 – Naccowlah Block.

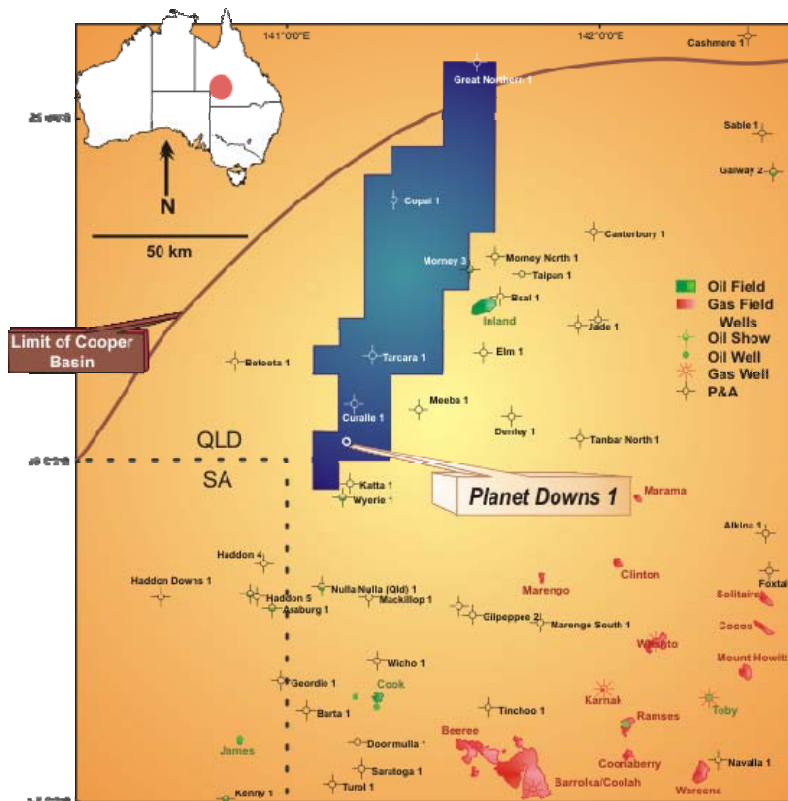
ATP 539P

The Planet Downs-1 well is expected to spud in the last week in January; this well will be drilled using Century Rig 3. The well is targeting oil trapped in a four-way dip-closed sub-culmination located along the structural axis of the Curalle Anticline. The wells objective will test P50 reserves of approximately 1 mmbbls in the basal Birkhead and Hutton Formations.

Name	Planet Downs-1 - Exploration Well
Permit	ATP 539P, Cooper Basin, Qld
Location	Located 60 km southwest of Inland Oilfield.
Objective	Birkhead and Hutton Formations
Spudded	TBA
Current Depth	0 m
Current Operations	Preparing land clearances and civil works

Participating interests in the well are:

Drillsearch Energy Limited	50% Operator
Bandanna Energy Limited	50% (earning)



ATP 259P – PL 23 – Naccowlah Block

Drilling is expected to recommence in the Naccowlah Block with Jackson 58; a Cooper Oil Project appraisal well. Jackson 58 is expected to spud on Friday 16 January 2009.

Name	Jackson 58 - Appraisal Well
Permit	PL 23, Cooper Basin, Qld
Location	Located 261 m northwest of Jackson 18
Objective	Birkhead and Hutton Formations
Spudded	TBA
Current Depth	0 m
Current Operations	Moving rig and rigging up on location

Participating interests in the well are:

Santos Limited	55.5% Operator
Beach Petroleum Limited	38.5%
Australian Gas Fields Limited	2%
Inland Oil (Production) Pty Ltd	2%
Drillsearch Energy Limited	2%

