

**ASX ANNOUNCEMENT**

30 April 2015

## **Drillsearch March 2015 Quarterly Report**

Drillsearch is pleased to provide the attached Quarterly Report for the three months ended 31 March 2015. A conference call to discuss these results will be held at 11.00am (AEST) on Thursday, 30 April 2015. Drillsearch invites investors and analysts to participate in the conference call, details of which are included in the Quarterly Report. A recording of the call will be available on the Drillsearch website later today.

**For further information please contact:**

Dudley White  
General Manager – Corporate Communications  
+61 2 9249 9669  
E: [dudley.white@drillsearch.com.au](mailto:dudley.white@drillsearch.com.au)

Or visit the website [www.drillsearch.com.au](http://www.drillsearch.com.au)

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# Q3

DRILLSEARCH ENERGY LIMITED

MARCH 2015

QUARTERLY REPORT

**FOCUS  
EXECUTION  
COLLABORATION  
INTEGRITY  
INNOVATION**

**Drillsearch**

# Highlights



## Exploration success continues with five new discoveries –

four in Wet Gas and one in Oil for the Quarter.



## FY2015 production guidance<sup>1</sup> of 3.0 – 3.2 mmboe maintained;

expectations towards the lower end of the range following delays in connecting and commissioning new wells and facilities.



## Oil margins remain strong;

hedging continues to deliver significant benefits.



## Production of 0.67 mmboe is 15% lower than the December period;

impacted by timing of well connections; Wet Gas production remains ahead of plan in year-to-date.



## Capital expenditure reduced in line with outcome of Operational Review;

organisational restructure being implemented.



## Robust liquidity position maintained;

\$135.7 million<sup>2</sup> of cash as at 31 March 2015, in addition to undrawn working capital facilities.

Drilling activity at Spinel-1 in PEL 513, Western Wet Gas Project Area, Cooper-Eromanga Basin

Source: Drillsearch Energy Limited



<sup>1</sup> Please refer to information regarding forward looking statements included at the end of this report.  
<sup>2</sup> In this report, \$ are Australian dollars unless otherwise stated. Figures in this report are unaudited.



# Managing Director's Comments



Brad Lingo  
Managing Director

Drillsearch delivered another quarter of positive operational outcomes, with solid production and an enviable run of exploration success that included five<sup>3</sup> discoveries across our Oil and Wet Gas businesses.

The drilling success rate from the FY2015 work program in our conventional businesses now stands at 71%<sup>4</sup> with 10 discoveries for the year so far, representing an outstanding return on our investment. In particular, our Wet Gas drilling campaign with Santos in the Western Cooper, in which we are free carried, has resulted in five discoveries from the first six wells.

On the Western Flank, our oil joint venture with Beach (Drillsearch 60%) completed a second pad drilling campaign at the Bauer field (Bauer-20 to -23), as well as the expansion of the Bauer central fluid handling facilities to 75,000 barrels a day (bbls/d).

We remain on track to deliver our production guidance<sup>1</sup> for the full year. Delays to facilities completion and the connection of new wells mean that the company is tracking towards the lower end of the guidance range of 3.0 to 3.2 million barrels of oil equivalent (mmboe).

Quarterly production of 0.67 mmboe was 15% lower than during the December quarter, as a result of later-than-expected connection of the first Bauer pad wells (-16 to -19), the first of which came online at the end of March, and amid facility interruptions to wet gas production in the Western Cooper.

Western Flank oil production averaged 10,081 bbls/d (gross) for the period, 13% lower than in the December period, though this had increased to 11,850 bbls/d in early April as Bauer-19 came online, the first of the original pad wells to be connected.

Ourselves and Beach continue to make significant investment in drilling, flowlines and other infrastructure. As of late April, the successful Bauer pad wells, together with a significant number of other wells and fields awaiting connection, in aggregate leave us with wellhead capacity in excess of available export pipeline capacity. The connection of these wells is expected to provide greater flexibility to manipulate well uptime in order to maximise production. Drillsearch is encouraged by comments from the operator (Beach) that it expects the current level of production to be maintained through the remainder of calendar 2015, and we look forward to working with Beach to agree a work program that delivers this outcome.

Drillsearch continued to benefit from the additional hedging put in place in late 2014. Before hedging gains, revenue fell 35% to \$43.7 million because of a combination of lower production and weaker oil prices. Average realised oil prices fell to \$69.90/bbl<sup>5</sup>, compared with \$91.50/bbl in the prior quarter. Gains from the hedging program equated to a further \$19.50/bbl, or \$11.6 million of additional income during the period.

Our liquidity position remains strong with \$135.7 million of cash, and a combined \$180.7 million of cash and undrawn working capital facilities as at 31 March 2015. Capital expenditure for the period of \$22.0 million was materially lower than during the December quarter (\$57.4 million).

During the quarter, Drillsearch announced the outcome of an Operational Review conducted in response to the decline in global crude oil prices. As a result of this review, the company is now prioritising investment to focus on near-term production and cash flow, as well as on reserves replacement, with higher priority given to the conventional Oil and Wet Gas Businesses.

Consistent with this prioritisation, the planned exploration campaign in the Northern Cooper has been deferred and is being re-worked, and the second Bauer pad drilling campaign and the Ralgnal-1 exploration well in the Western Cooper were accelerated.

Activity in the ATP 940 joint venture with QGC has been scaled back as stimulation and flow testing were completed and build-up monitoring commenced on the first two wells. The company does not anticipate any significant additional work program will be executed in ATP 940 during the remainder of the financial year, and capital expenditure will be minimal. On an overall basis, the company is evaluating the extent to which this project will continue to be an area of focus.

At a Corporate level, a comprehensive organisational restructure is being implemented, resulting in a one-third reduction in headcount and a reorganisation of the Executive leadership team. This was a difficult process for the business, but a necessary one to ensure that we continue to create shareholder value.

In summary, our FY2015 work program continues to deliver the success required to sustain production and underpin future growth. The actions that we have taken in response to the lower crude oil price have not only protected our position but also placed us well to benefit when oil prices recover.

<sup>3</sup> Includes Spinel-1 (subsequent to quarter-end) – refer to the March Drilling Report released on 8 April 2015.

<sup>4</sup> Includes exploration, appraisal and development wells. Excludes unconventional wells Anakin-1, Padme-1 and Amidala-1.

<sup>5</sup> Before the impact of hedging.

Production and Financial data for the March quarter is set out in the table below. Financial data presented in this report is unaudited.

Description	Units	9 Months Ended March 2015	3 Months Ended March 2015	3 Months Ended December 2014	Quarter Change %
<b>Production (by product type)</b>					
Oil	kbbbl	1,956.6	597.5	690.9	(14%)
Sales gas and ethane	TJ	1,083.2	314.6	436.8	(28%)
LPGs	ktonne	4.5	1.3	1.8	(27%)
Condensate	kbbbl	32.9	8.3	12.1	(32%)
<b>Total oil and gas</b>	<b>kboe</b>	<b>2,212.0</b>	<b>670.1</b>	<b>792.3</b>	<b>(15%)</b>
<b>Sales revenue (by business unit)</b>					
Oil	A\$ mil	181.3	41.6	63.2	(34%)
Gas and gas liquids	A\$ mil	9.2	2.1	3.7	(42%)
<b>Total revenue</b>	<b>A\$ mil</b>	<b>190.5</b>	<b>43.7</b>	<b>66.9</b>	<b>(35%)</b>
Avg realised oil price	A\$/bbl	92.8	69.9	91.5	(24%)
Avg realised gas and gas liquids price	A\$/boe	36.0	29.3	36.1	(19%)
<b>Direct operating expense (by business unit)</b>					
Oil	A\$ mil	64.8	19.1	20.0	(5%)
Wet Gas	A\$ mil	4.0	1.1	1.4	(18%)
<b>Total direct operating expense</b>	<b>A\$ mil</b>	<b>68.8</b>	<b>20.2</b>	<b>21.4</b>	<b>(6%)</b>
<b>Oil &amp; gas asset expenditure (by business unit)</b>					
Oil	A\$ mil	33.0	7.7	20.5	(62%)
Wet Gas	A\$ mil	0.7	0.0	0.6	(100%)
<b>Total oil &amp; gas asset expenditure</b>	<b>A\$ mil</b>	<b>33.7</b>	<b>7.7</b>	<b>21.1</b>	<b>(64%)</b>
<b>Exploration &amp; evaluation expenditure (by business unit)</b>					
Oil	A\$ mil	28.4	3.3	9.8	(66%)
Wet Gas	A\$ mil	15.2	3.8	8.6	(56%)
Unconventional	A\$ mil	39.1	7.1	16.1	(56%)
Corporate	A\$ mil	2.3	0.1	1.8	(94%)
<b>Total exploration &amp; evaluation expenditure</b>	<b>A\$ mil</b>	<b>85.0</b>	<b>14.3</b>	<b>36.3</b>	<b>(61%)</b>
<b>Net asset acquisitions / (divestments)</b>					
Assets Acquired <sup>^</sup>	A\$ mil	42.5	0.0	0.0	n/m
Assets Divested	A\$ mil	(0.1)	(0.1)	0.0	n/m
<b>Net asset acquisitions / (divestments)</b>	<b>A\$ mil</b>	<b>42.4</b>	<b>(0.1)</b>	<b>0.0</b>	<b>n/m</b>
<b>Financials</b>					
Cash & cash equivalents	A\$ mil	135.7	135.7	149.2	(9%)
Drawn Senior Secured Bank Debt	A\$ mil	0.0	0.0	0.0	0%
Undrawn Senior Secured Bank Debt	A\$ mil	45.0	45.0	50.0	(10%)
Total Senior Secured Bank Debt	A\$ mil	45.0	45.0	50.0	(10%)
Unsecured convertible bond	A\$ mil	161.7	161.7	150.6	7%
<b>Non-IFRS accounting financial information<sup>^^</sup></b>					
Oil sales revenue	A\$ mil	181.3	41.6	63.2	(34%)
Oil price hedge gains – realised	A\$ mil	15.1	11.6	3.5	233%
<b>Adjusted revenue (including hedging gains)</b>	<b>A\$ mil</b>	<b>196.4</b>	<b>53.2</b>	<b>66.7</b>	<b>(20%)</b>
Avg realised oil price (including hedging gains)	A\$/bbl	100.5	89.4	96.5	(7%)

<sup>^</sup> Relates to the acquisition of Ambassador interests.

<sup>^^</sup> Non-IFRS financial accounting measures are used by Drillsearch to provide greater understanding of the underlying business performance of the company's operations. When reviewing business performance, this Non-IFRS accounting information should be used in addition, to and not as a replacement of measures prepared in accordance with IFRS. Non-IFRS accounting information has not been the subject of audit or review by Drillsearch's external auditors.

# Production and Financial Overview

## Production

Total production of 0.67 mmboe was down 15% from 0.79 mmboe during the December quarter. The main driver for this decline was delays in bringing online new development wells and production facilities in the Western Flank Oil Fairway.

The Western Flank continued to be the major contributor to production, with Drillsearch's 60% share of production (Beach 40% and Operator) averaging 6,048 bbls/d, compared with 6,939 bbls/d in the December quarter.

Later in the quarter, the Western Flank joint venture completed the expansion of the fluid handling facilities at Bauer to 75,000 bbls/d, up from 50,000 bbls/d, as well as the connection of Bauer-19, which came online on 25 March with initial rates considerably higher than expected.

Wet gas production declined, though remains ahead of plan on a year-to-date basis. Drillsearch's 50% share of raw gas, LPG and condensate output of 0.07 mmboe was 28% lower than the December quarter following shut-ins for maintenance at the Middleton gas plant, as well as some downtime at the request of the South Australian Cooper Basin Joint Venture (SACBJV).

## Financial

Revenue for the period was \$43.7 million, down from \$66.9 million in the December quarter, as a result of lower production quarter-on-quarter and lower average realised oil prices.

The average realised price for oil fell to \$69.90/bbl in the March quarter, before the benefits delivered by the hedging program, as global crude oil prices fell to five-and-a-half year lows in mid-January.

The realised benefit from the additional hedging put in place by the company earlier in the first half of FY2015 was an average of \$19.50/bbl<sup>6</sup> during the quarter, adding \$11.6 million to revenue.

Margins on our oil production remained strong at \$57.50/bbl (including hedging gains), after average total operating costs of \$31.90/bbl in the Oil Business.

Drillsearch continues to actively assess opportunities to put in place additional hedging. During the March quarter, Drillsearch placed an additional 420,000 bbls in hedge protection across FY2016/17 in the form of new US\$60-US\$85 collars.

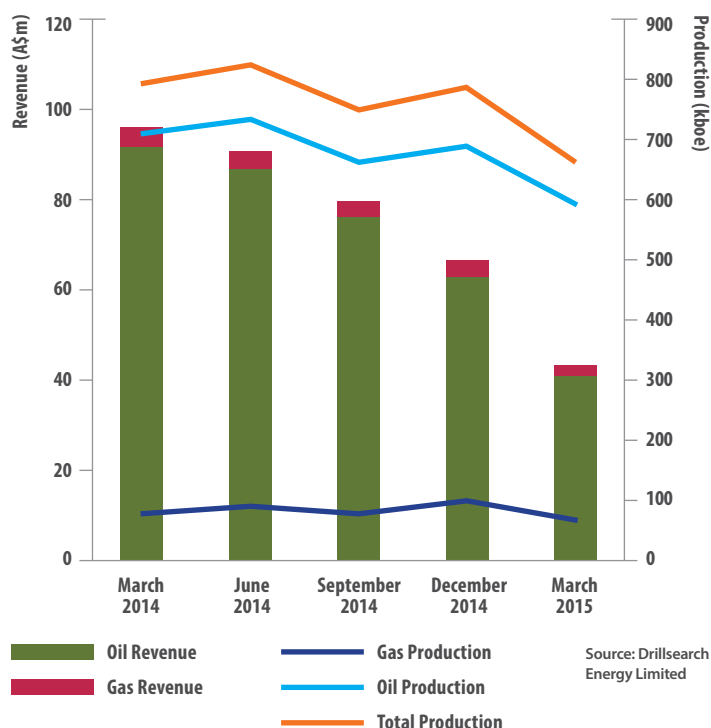
The table below outlines hedging in place as at 31 March 2015:

Hedge arrangements (US\$)	FY2015 (Remaining <sup>7</sup> ) (bbls)	FY2016 (bbls)	FY2017 (bbls)
\$90 Put - \$120 call options	66,000	16,000	–
\$70 Put options	395,250	–	–
\$60 Put- \$90 call options	–	927,000	–
\$60 Put- \$85 call options	–	300,000	120,000

Cash at 31 March 2015 was \$135.7 million, down from \$149.2 million at 31 December 2014. The company retains a strong liquidity position, with \$180.7 million of cash and undrawn working capital facilities at the end of March.

Our undrawn working capital facility will amortise in equal quarterly instalments over the next 12 months. The March quarter represented the first reduction of the facility limit to \$45 million. The company is actively considering a number of potential options to refinance the facility.

The following chart shows the quarterly production and revenue results since March 2014.



<sup>6</sup> Gross realised hedge gain per barrel before accounting for the cost of putting the hedges in place.  
<sup>7</sup> Table indicates remaining hedged barrels as at 31 March 2015.

# Exploration and Development Overview

## Oil Business

### Western Flank Oil Fairway

The March 2015 quarter saw a total of eight wells drilled on the Western Flank Oil Fairway. Of those wells, five development wells and one exploration well were cased and suspended.

The Hanson-2 development well, drilled to the south of the Bauer field (see map), was cased and suspended after intersecting 6.5 metres of net pay in the McKinlay Member and the Namur Sandstone over an 8-metre gross column.

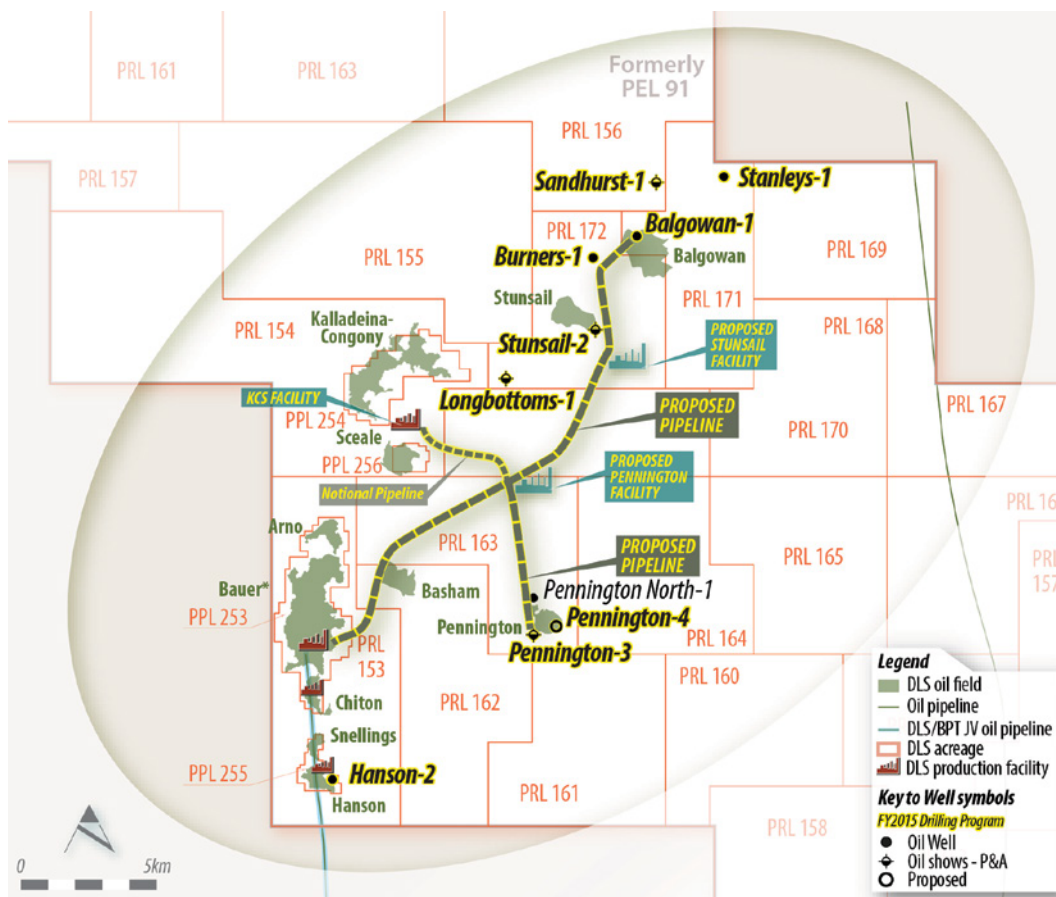
Three exploration wells were drilled in the former PEL 91 area. The first, Sandhurst-1, targeted the top Namur Sandstone, however it encountered insufficient hydrocarbon pay and was plugged and abandoned.

The next exploration well, Stanleys-1, was drilled northeast of the Balgowan-1 oil discovery. Drillsearch's initial interpretation of wireline logs indicated 2.4 metres of net pay in the Birkhead Formation over a 7-metre gross column with a drill stem test (DST) recovering 23 barrels of oil over 117 minutes at a calculated rate of 280 bopd. As a result, Stanleys-1 was cased and suspended as the 16<sup>th</sup> oil discovery within the former PEL 91 permit area.

The third exploration well, Longbottoms-1, was plugged and abandoned after encountering one metre of net pay in the Namur Sandstone, a result that was deemed to be sub-commercial.

During March, the Bauer-20 to -23 development wells were drilled from a single pad location targeting the highly productive Namur Sandstone and the McKinlay Member. Pad drilling removed the need for rig demobilisation allowing all four wells to be drilled, and cased and suspended, within 36 days. All four wells will be completed as future McKinlay/Namur production wells and are expected to be progressively connected from early in FY2016.

### Western Flank Oil Fairway, Cooper-Eromanga Basin



Source: Drillsearch Energy Limited

### Western Flank Oil – Productive Capacity as at 31 March 2015

The table below illustrates the wells that have been cased and suspended across the former PEL 91 permit area:

Developed	Under Development			
Producing	Completed, awaiting connection	Completed, awaiting facilities & connection	C&S awaiting completion and/or connection/facilities	C&S
Bauer-1 to -15	Chiton-3	Balgowan-1	Bauer-16 to -18 <sup>8</sup>	Arno-1
Bauer-19	Hanson-2	Pennington-1 & -2	Bauer-20 to -23	Basham-1
Chiton-1 & -2		Stunsail-1		Bauer North-1
Hanson-1				Burners-1
Kalladeina-2				Pennington North-1
Congony-1				Snellings-1
Sceale-1				Stanleys-1
<b>22 wells</b>	<b>2 wells</b>	<b>4 wells</b>	<b>7 wells</b>	<b>7 wells</b>

Total 42 wells

Subsequent to the quarter-end, the last well to be drilled in PEL 91 in FY2015, Pennington-4, was drilled to a total depth of 1,836 metres. Interpretation is ongoing with preliminary results expected to be released in the April Drilling Report.

### Bauer-16 to -19, Western Flank Oil Fairway, Cooper-Eromanga Basin

Source: Drillsearch Energy Limited



### Northern Cooper Gas and Liquids Project Area

As part of Drillsearch's Operations Review, the decision was taken to suspend operations at the producing Flax field (Drillsearch 100%) in the Northern Cooper area. All wells at Flax have now been shut-in, and the mothballing of the facilities and camp complex has continued into the June quarter.

In PEL 182 (Drillsearch 43%; Senex 57% and Operator), acquisition of the Jasmine 3D seismic began on 24 March 2015 and was completed subsequent to quarter-end on 13 April 2015. The acquisition covered over 300km<sup>2</sup> of 3D seismic. The data is now being processed, with delivery anticipated in the first half of FY2016.

<sup>8</sup> Bauer-16 to -18 were connected in March and subsequently flow tested in April 2015



## Wet Gas Business

### Western Wet Gas Project Areas

In the Wet Gas joint venture with Santos (Drillsearch 40%, Santos 60% and Operator) three exploration wells were drilled during the March quarter as part of an eight-well campaign (Drillsearch free-carried). All three were cased and suspended as future production wells.

The most northerly of these wells, Nulla North-1, is located in the northwest of PRL 133 (formerly PEL 632, see map). Preliminary assessment by Drillsearch identified approximately 4.8 metres of net pay across several zones in the Patchawarra Formation, with a gross interval of 251 metres, and, as a result, Nulla North-1 was cased and suspended as a new discovery.

Kyanite-1 targeted the liquids-rich Patchawarra Sandstones in PEL 513 and was drilled to a total depth of 3,354 metres with excellent gas shows observed and stacked reservoirs identified. Drillsearch's preliminary interpretation 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

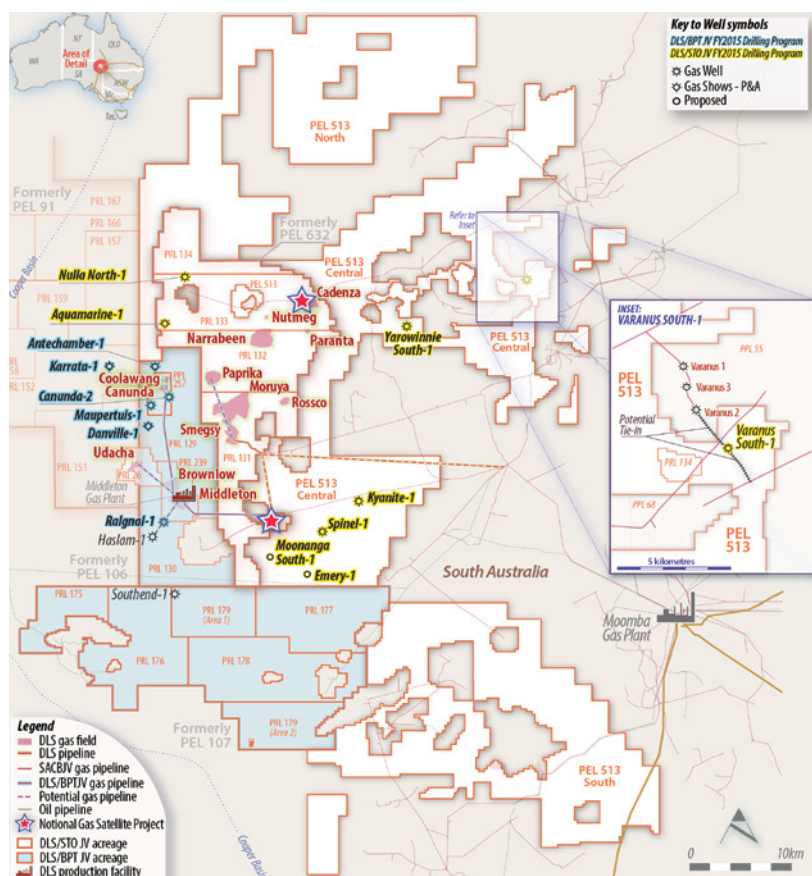
pay, several zones with potential for significant unconventional pay were also observed.

On completion of Kyanite-1, the rig moved to Spinel-1, which was drilled to a total depth of 3,282 metres in early April. Drillsearch's preliminary assessment of the results identified approximately 11.3 metres of net conventional gas pay across several zones in the Patchawarra Formation over a gross interval of 510 metres, and approximately 2.5 metres of net pay in the Tirrawarra Sandstone over a gross interval of 58 metres. In addition to the conventional pay, several zones with potential for unconventional pay were also observed.

In the Wet Gas joint venture with Beach (Drillsearch 50%, Beach 50% and Operator), the Danville-1 exploration well encountered elevated gas shows in coals and sands throughout the Patchawarra Formation. Gas pay intervals identified through wireline logging were not considered economic and the well was plugged and abandoned.

The final well, Ralgnal-1, was an additional well sanctioned by the joint venture. Ralgnal-1 was drilled to a total depth of 2,891 metres. Drillsearch's preliminary evaluation of well logs indicated 6.6 metres of net pay in the Patchawarra Formation over a gross interval of 408 metres and 3.0 metres of net pay in the Tirrawarra Sandstone over a gross interval of 55 metres. A drill stem test (DST) was performed over the Patchawarra Formation with gas flowing to surface at a rate of 5.88 mmscf/d. The well has been cased and suspended as a new discovery.

### Western Wet Gas Project Area, Cooper-Eromanga Basin



Source: Drillsearch Energy Limited

## Unconventional Business

### Central Unconventional Fairway

In ATP 940 (Drillsearch 40% and Operator, QGC 60%) the fourth and final well to be drilled in the current campaign, Amidala-1, was drilled to a total depth of 3,495 metres in January 2015 before being cased and suspended for future hydraulic stimulation.

Production testing of both Charal-1 and Anakin-1 was conducted during the quarter with Charal-1 recording a peak flow rate of 0.95mmscf/d and Anakin-1 recording a peak flow rate of 1.05mmscf/d. Both wells have now been shut-in to monitor pressure build-up.

No additional material spending is anticipated in ATP 940 in the near term.

### Drilling Program Financial Year-To-Date

Drillsearch has so far delivered a drilling success rate of 71% in FY2015 for conventional wells. Anakin-1, Padme-1 and Amidala-1 have not been included in this success rate as testing of the wells is ongoing.

Area	Well	Category	Tenement	Result	Status
Western Flank Oil	Balgowan-1	Exploration	PRL 171 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Burners-1	Exploration	PRL 172 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-14	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Stunsail-2	Appraisal	PRL 172 (Formerly PEL 91)	Oil shows	Plugged & Abandoned
	Pennington-3	Appraisal	PRL 163 (Formerly PEL 91)	Oil shows	Plugged & Abandoned
	Bauer-15	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-16	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-17	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-18	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-19	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Sheerkhan-1	Exploration	PEL 182	Oil shows	Plugged & Abandoned
	Hanson-2	Appraisal	PPL 255 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Sandhurst-1	Exploration	PRL 156 (Formerly PEL 91)	Oil shows	Plugged & Abandoned
	Stanleys-1	Exploration	PRL 171 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-20	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-21	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-22	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Bauer-23	Development	PPL 253 (Formerly PEL 91)	Future oil producer	Cased & Suspended
	Longbottoms-1	Exploration	PRL 156 (Formerly PEL 91)	Oil shows	Plugged & Abandoned
Eastern Margin Oil	Ipundu North-5	Development	PL 52	Future oil producer	Cased & Suspended
	Ipundu North-7	Development	PL 52	Future oil producer	Cased & Suspended
Western Wet Gas	Karrata-1	Exploration	PRL 152 (Formerly PEL 91)	Gas shows	Plugged & Abandoned
	Canunda-2	Appraisal	PPL 257 (Formerly PEL 106)	Future gas producer	Cased & Suspended
	Varanus South-1	Exploration	PEL 513	Gas well	Cased & Suspended
	Maupertuis-1	Exploration	PPL 257 (Formerly PEL 106)	Gas well	Cased & Suspended
	Yarowinnie South-1	Exploration	PEL 513	Gas well	Cased & Suspended
	Antechamber-1	Exploration	PEL 513	Gas shows	Plugged & Abandoned
	Danville-1	Exploration	PRL 129 (Formerly PEL 106)	Gas shows	Plugged & Abandoned
	Aquamarine-1	Exploration	PRL 133 (Formerly PEL 632)	Gas shows	Plugged & Abandoned
	Ralgna-1	Exploration	PRL 130 (Formerly PEL 106)	Gas well	Cased & Suspended
	Nulla North-1	Exploration	PRL 133 (Formerly PEL 632)	Gas well	Cased & Suspended
	Kyanite-1	Exploration	PEL 513	Gas well	Cased & Suspended
	Spinel-1	Exploration	PEL 513	Gas well	Cased & Suspended
Northern Gas & Liquids	Banyan-1	Oil - Exploration	PEL 103	Oil shows	Plugged & Abandoned
	Juniper-3	Oil- Development	PRL 17	Oil well	Cased & Suspended
Central Unconventional	Anakin-1	Exploration	ATP 940	Pending	Cased & Suspended
	Padme-1	Exploration	ATP 940	Pending	Cased & Suspended
	Amidala-1	Exploration	ATP 940	Pending	Cased & Suspended

# Corporate

## Operational Review

One of the outcomes of the Operational Review announced on 19 February 2015, was a target to achieve annualised savings of \$10 million to \$15 million across the cost base.

In line with that program, Drillsearch undertook a comprehensive business restructuring with a one-third reduction in headcount across all locations in order to match the internal capability to the level of future project activity, and to ensure that the company continues to live within its means.

The restructuring has also involved creating a more streamlined senior management team, with the Executive now comprising:

**Brad Lingo** Managing Director

**Walter Simpson** Chief Operating Officer – with responsibility for operations, exploration, HSEC and Human Resources.

**Ian Bucknell** Chief Financial Officer – with responsibility for finance, planning, investor relations and business development.

**Clifford Tuck** General Counsel & Company Secretary – with responsibility for legal, governance, risk and insurance.

David Evans and Duncan Lockhart, who had been acting in the Chief Operating and Chief Technical Officer roles, will report to Mr Simpson as Executive General Manager (EGM) Operations, and EGM Exploration respectively.

Chief Commercial Officer Peter Fox, who has played a significant role in the successful growth of Drillsearch since joining the company in July 2013, will leave at the end of the financial year.

## Recent Changes in Share Register

Drillsearch notes the Substantial Holder Notice from Seven Group Holdings Limited on 17 April 2015, advising that Seven Group had increased its holding in the company to 16.69%. Drillsearch has not been contacted by Seven, nor has the company met with Seven, to discuss its shareholding in the company.

## March Quarterly Results Conference Call

A conference call to discuss the March 2015 Quarterly Report will be held for investors and analysts at 11.00am (AEST) on Thursday, 30 April 2015. The call will be hosted by Drillsearch Managing Director Brad Lingo and Chief Financial Officer Ian Bucknell. Drillsearch invites investors and analysts to participate in the conference call. Participants will be asked for their full name and for the Conference ID when joining the facility.

**Date and time:** 11.00 am (AEST) on Thursday, 30 April 2015

**Conference ID:** 979644#

**Dial in number:**

Toll free Australia:	1800 041 303
International:	+61 2 9001 2114
Hong Kong:	800 901 436
Singapore:	800 120 5965
UK:	0800 051 8260
USA:	1 855 5624 857

A recording of the call will be provided on the Drillsearch website later that day.

## For further information please contact:

### Dudley White

General Manager – Corporate Communications

T: +61 2 9249 9669

E: [dudley.white@drillsearch.com.au](mailto:dudley.white@drillsearch.com.au)

If you would like to register for email alerts, please register on our Home page [www.drillsearch.com.au](http://www.drillsearch.com.au)

## Corporate Information

### Board Members

Jim McKerlie (Chairman)  
 Brad Lingo (Managing Director)  
 Philip Bainbridge (Non-executive Director)  
 Teik Seng (TS) Cheah (Non-executive Director)  
 Fiona Robertson (Non-executive Director)  
 Ross Wecker (Non-executive Director)

### Management

Brad Lingo (Managing Director)  
 Ian Bucknell (Chief Financial Officer)  
 Walter Simpson (Chief Operating Officer)  
 Clifford Tuck (General Counsel & Company Secretary)

### Registered Office

Drillsearch Energy Limited  
 Level 18, 321 Kent Street  
 Sydney NSW 2000 Australia  
 Phone: +61 2 9249 9600  
 Fax: +61 2 9249 9630  
 Email: [admin@drillsearch.com.au](mailto:admin@drillsearch.com.au)  
 Website: [www.drillsearch.com.au](http://www.drillsearch.com.au)

### Security Listing

Australian Stock Exchange (Ticker DLS)

### Share Registry

Link Market Services  
 Level 12, 680 George Street  
 Sydney NSW 2000 Australia  
 Phone: +61 2 8280 7100  
 Fax: +61 2 9287 0303  
 Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
 Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Top 10 Shareholders as at 24 April 2015	%
Network Investment Holdings	13.44
HSBC Custody Nominees	13.29
JP Morgan Nominees Australia Limited	9.47
QGC Pty Limited	7.86
Citicorp Nominees Pty Limited	7.48
National Nominees Limited	6.11
Beach Energy Limited	4.57
Network Investment Holdings	3.25
UOB Kay Hian Private Limited	1.83
BNP Paribas Nominees Pty Ltd	1.29

Quarterly Share Price Activity	High A\$	Low A\$	Close A\$
Jan – Mar 2014	1.155	0.685	1.09

### Issue Share Capital

As at 24 April 2015 – 461,101,450

### About Drillsearch

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-Eromanga Basin. Drillsearch has assets that span the exploration, development and production continuum within Oil, Wet Gas and Unconventional. 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.

### Forward Looking Statements

This Release contains forward looking statements. Often, but not always, forward looking statements may be identified by the use of words such as "may", "will", "expect", "intend", "target", "anticipate", "continue", "guidance" and "outlook", or similar expressions and may include (without limitation) statements regarding plans, strategies, objectives, and anticipated operating or financial performance, including production volumes and costs.

Forward looking statements involve subjective judgments regarding future matters which are subject to known and unknown risks, uncertainties and other factors. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations, general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and development activities, political and social risks, both general and those specific to the oil and gas industry, changes to the regulatory framework in which the company conducts its business, environmental conditions, including extreme weather conditions, recruitment and retention of personnel, industrial relation issues and litigation.

While Drillsearch considers that there is a reasonable basis for all forward looking statements made, readers are cautioned not to place undue reliance on forward looking statements as actual results may vary materially from projected future results expressed or implied by forward looking statements. The company gives no assurance that assumptions upon which forward looking statements may be based will prove to be correct, or that the company's business, performance or results will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or beyond the company's control.

Forward looking statements in this release speak only as to the date of issue. Subject to any continuing obligations under applicable law, including the rules of relevant securities exchanges, the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.