

## February Drilling Report

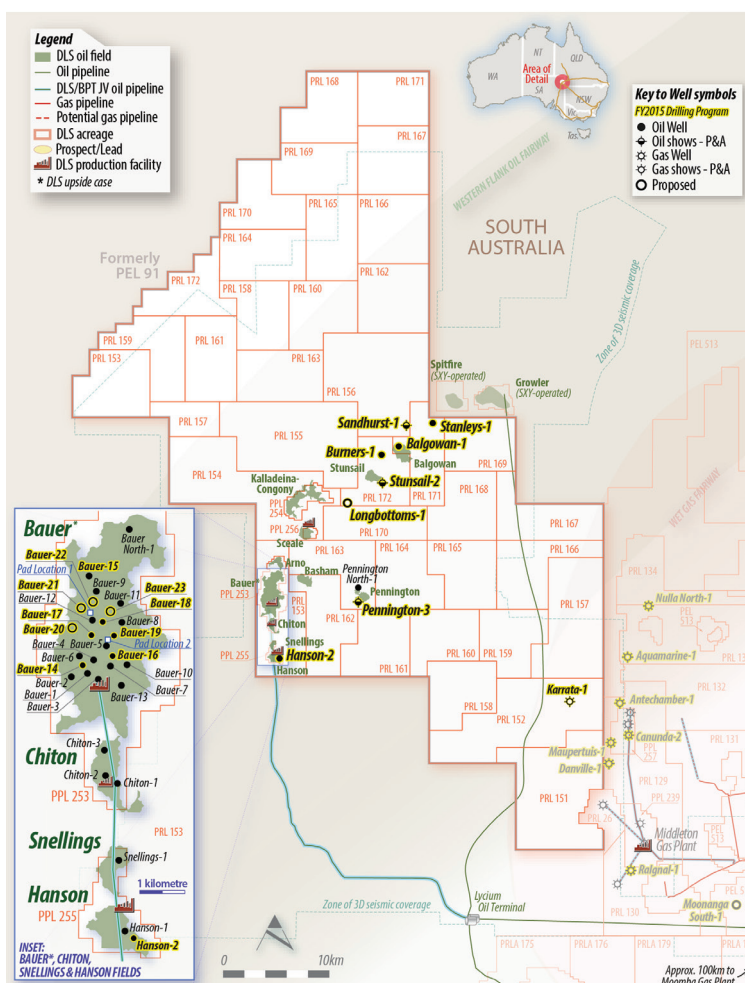
- **Oil Business**
  - Stanleys-1 cased and suspended as 16<sup>th</sup> oil discovery on the Western Flank Oil Fairway (former PEL 91)
  - Second Bauer pad drilling campaign commenced
- **Wet Gas Business**
  - Nulla North-1 cased and suspended as a new discovery in PRL 133
  - Kyanite-1 near-field exploration well spudded in PEL 513
- **Unconventional Business**
  - Testing ongoing at Charal-1 and Anakin-1
- **Conventional drilling consistent with prioritisation of activity targeting near-term production, cash flow and reserves replacement**

### Oil Business

#### Western Flank Oil Fairway

Drilling continued on the Western Flank Oil Fairway (Drillsearch 60%, Beach 40% and Operator) with four development wells, Bauer-20 to -23 being drilled from a single pad location (see map) targeting the highly productive Namur Sandstone reservoir and the McKinlay Member. Directional drilling will commence from depths of approximately 700 metres to reach the target zones. Top-hole batch drilling at Bauer-20, -21 and -22 began in February with Bauer-23 spudded and reaching total depth subsequent to month-end. Production hole drilling will then follow at Bauer-20, -21 and -22.

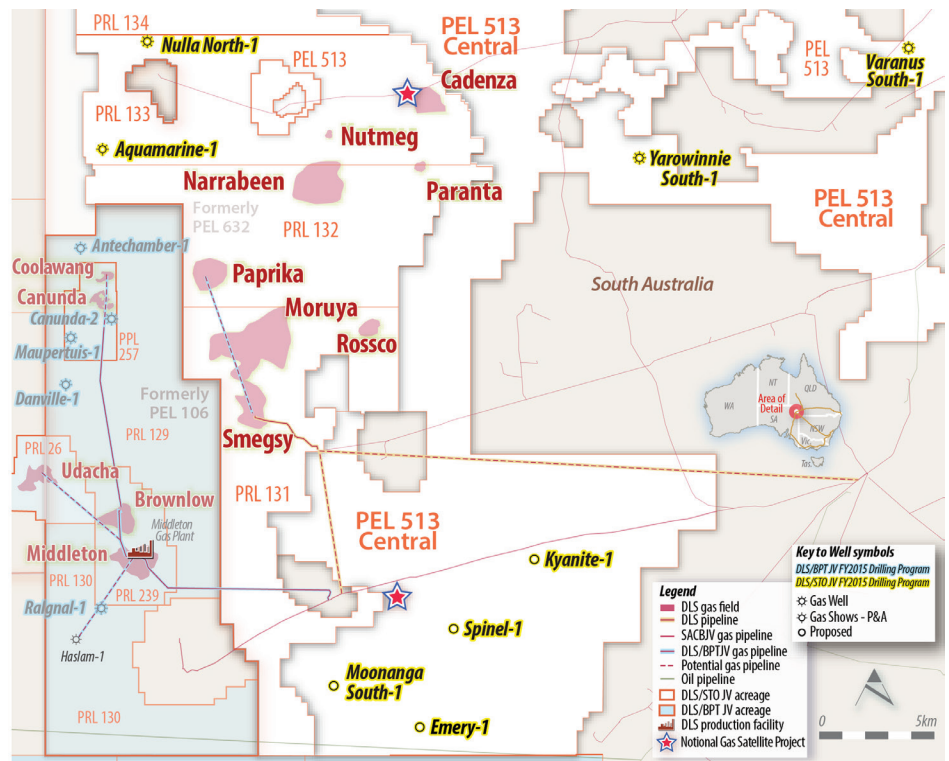
Concurrent with the pad drilling campaign, the Stanleys-1 exploration well spudded on 25 February in PRL 171 (formerly PEL 91), 3.9 kilometres north east of the Balgowan-1 oil discovery and 3.5 kilometres southwest of the Spitfire (PRL 258) and Growler fields (PRL 242). Subsequent to month-end Stanleys-1 reached a total depth of 2,064 metres. Drillsearch's initial interpretation of wireline logs indicates 2.4 metres of net pay in the Birkhead Formation over a 7 metre gross column while a Drill Stem Test (DST) recovered 23 barrels of oil over 117 minutes at a calculated rate of 280bopd. As a result, Stanleys-1 has been cased and suspended as the 16<sup>th</sup> oil discovery within the former PEL 91 permit area. Following the casing and suspension of Stanleys-1, the rig will move to the next exploration well in the campaign, Longbottoms-1.



## Wet Gas Business

### Western Wet Gas Fairway

In the Wet Gas joint venture with Santos (Drillsearch 40%, Santos 60% and Operator), the Nulla North-1 well spudded on 27 January in the northwest of PRL 133 (formerly PEL 632, see map). A near-field exploration well, Nulla North-1 targeted wet gas in the Patchawarra Formation and Tirrawarra Sandstone. Petrophysical interpretation by Drillsearch calculated approximately 4.8 metres of net pay across several zones in the Patchawarra Formation, with a gross interval of 251 metres. The well has been cased and suspended as a future gas producer.

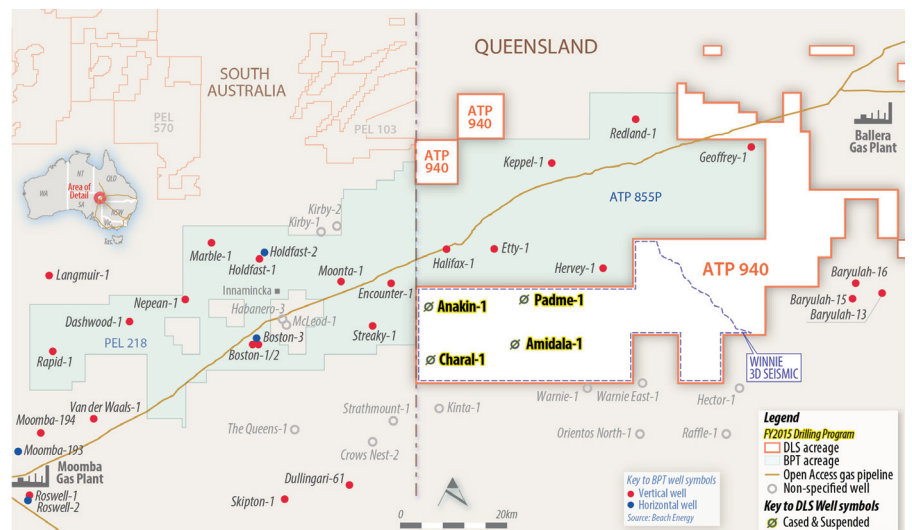


The fifth well in the current eight-well campaign, Kyanite-1, spudded on 23 February 2015 in PEL 513. Kyanite-1 is a near-field exploration well targeting the hydrocarbon potential of the liquids-rich Patchawarra gas sandstones. Kyanite-1 is located 17.5 kilometres due east of the Middleton-1 well and 8.9 kilometres north east of the SACB Joint Venture's Moonanga-1 well. Kyanite-1 is expected to take approximately 20 days to reach a total depth of 3,254 metres.

## Unconventional Business

### Central Unconventional Fairway

Production testing of the Anakin-1 well in ATP 940 (Drillsearch 40% and Operator, QGC 60%) began on 24 February, with first measurable gas flow to surface recorded on 24 February. Peak flow rate of 1.05 mmscf/d was achieved, at a wellhead pressure of 915 psi through a 28/64" choke. Preliminary analysis of the gas flow shows that, at the peak flow rate, associated production of carbon dioxide (CO<sub>2</sub>) was between 35% and 40%. The testing process is ongoing.



The production testing program at Charal-1 continues with the well currently shut in to monitor pressure build up.

# Monthly Drilling Summary

As at 9 March 2015

Well	Participants		Progress & Summary		Primary Target	Secondary Targets
Oil Wells						
Sandhurst - 1**	DLS	60%	Spud Date:	Friday, 23 January 2015	McKinlay Member	
PRL 156 (PEL 91)	BPT*	40%	Rig Release:	Tuesday, 3 February 2015	Namur Sandstone	
Oil Business			Depth:	2,012 m (TD)		
Western Flank Oil			Operation:	Plugged & Abandoned		
C/E Basin, SA			Progress:	2,012 m (TD)		
Bauer - 20	DLS	60%	Spud Date:	Thursday, 19 February 2015	McKinlay Member	
PPL 253 (PEL 91)	BPT*	40%	Suspended:	Saturday, 21 February 2015	Namur Sandstone	
Oil Business			Depth:	1,534 m (Proposed)		
Western Flank Oil			Operation:	Well Suspended		
C/E Basin, SA			Progress:	692 m		
Bauer - 21	DLS	60%	Spud Date:	Tuesday, 24 February 2015	McKinlay Member	
PPL 253 (PEL 91)	BPT*	40%	Suspended:	Friday, 27 February 2015	Namur Sandstone	
Oil Business			Depth:	1,453 m (Proposed)		
Western Flank Oil			Operation:	Well Suspended		
C/E Basin, SA			Progress:	692 m		
Bauer - 22	DLS	60%	Spud Date:	Saturday, 28 February 2015	McKinlay Member	
PPL 253 (PEL 91)	BPT*	40%	Suspended:	Monday, 2 March 2015	Namur Sandstone	
Oil Business			Depth:	1,522 m (Proposed)		
Western Flank Oil			Operation:	Well Suspended		
C/E Basin, SA			Progress:	703 m		
Bauer - 23	DLS	60%	Spud Date:	Tuesday, 3 March 2015	McKinlay Member	
PPL 253 (PEL 91)	BPT*	40%	Rig Release:	Wednesday, 11 March 2015 (Targeted)	Namur Sandstone	
Oil Business			Depth:	1563.9 m (Proposed)		
Western Flank Oil			Operation:	Drilling ahead to TD		
C/E Basin, SA			Progress:	1,180 m		
Stanleys - 1	DLS	60%	Spud Date:	Wednesday, 25 February 2015	Namur Sandstone	McKinlay Member
PRL 171 (PEL 91)	BPT*	40%	Rig Release:	Wednesday, 11 March 2015 (Targeted)		Mid-Namur Sandstone
Oil Business			Depth:	2,064 m (TD)		Birkhead Formation
Western Flank Oil			Operation:	Casing well		Poolowanna Formation
C/E Basin, SA			Progress:	2,064 m (TD)		
Wet Gas Wells						
Ralgna! - 1**	DLS	50%	Spud Date:	Sunday, 18 January 2015	Patchawarra Formation	Tirrawarra Sandstone
PRL 130 (PEL 106)	BPT*	50%	Rig Release:	Thursday, 12 February 2015	(gas/condensate)	(gas/condensate)
Wet Gas Business			Depth:	2,891 m (TD)		
Western Wet Gas			Operation:	Cased & Suspended		
C/E Basin, SA			Progress:	2,891 m (TD)		
Nulla North - 1	DLS	40%	Spud Date:	Tuesday, 27 January 2015	Patchawarra Formation	Tirrawarra Sandstone
PRL 133 (PEL 632)	STO*	60%	Rig Release:	Saturday, 14 February 2015	(gas/condensate)	(gas/condensate)
Wet Gas Business			Depth:	2,769 m (TD)		
Western Wet Gas			Operation:	Cased & Suspended		
C/E Basin, SA			Progress:	2,769 m (TD)		
Kyanite - 1	DLS	40%	Spud Date:	Monday, 23 February 2015	Patchawarra Formation	Tirrawarra Sandstone
PEL 513	STO*	60%	Rig Release:	Friday, 13 March 2015 (Targeted)	(gas/condensate)	(gas/condensate)
Western Wet Gas			Depth:	3,254 m (Proposed)		
Western Wet Gas			Operation:	Drilling ahead to TD		
C/E Basin, SA			Progress:	3,165 m		

\* Indicates operator

\*\* For further information on these wells please refer to the January Drilling Report released on 10 February 2015

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