

Chiton-1 Drilling Update

PEL 91 - SA, Cooper Basin

13 August 2009

Drillsearch Energy Limited (ASX:DLS) is pleased to provide this update on drilling of the Chiton-1 well in PEL 91 of the South Australian Cooper Basin as of 06:00hrs CST today. Chiton-1 is the first of a two- well program with the second well, Marino-1, to follow immediately after completion of Chiton-1. Drillsearch holds a 60% interest in PEL 91 and the Chiton-1 well. The well is being operated by Beach Petroleum (40%) using the Ensign Rig# 30. Drilling to a planned total depth of 1956 metres is expected to take approximately 14 days as shown in the attached time-depth chart.

Progress with drilling as at 06:00 hrs CST today is:

Spud Date:	8 August 2009 at 14:30hrs
Current Depth:	1136m
Current Operations:	Drilling ahead in the Wallumbilla Formation
Forward Operations:	Drill ahead - The well is expected to enter the primary reservoir objective Namur Sandstone on Friday.

Chiton-1 is the first of two wells being drilled to test two prospects in PEL 91 along the 'oil fairway' on the western flank of the Patchawarra Trough. Both prospects are robust structural traps matured for drilling with the benefit of data from the Modiolus 3D Seismic Survey. The primary objective for both wells is the Namur Sandstone that has proved to be a prolific oil producer along the same trend immediately to the south in PEL 92. The main target zone is expected to be penetrated 5 to 7 days after spud. Secondary objectives are within the Birkhead Formation that is productive immediately to the north in PEL104 and the Poolowanna Formation that is also productive in PEL92 to the south.

Seismic mapping of the Namur horizon indicates that the Chiton Structure has approximately 20 metres of vertical relief and an areal extent of 1.9 square kilometres. Probabilistic resource assessments give mean recoverable oil reserves of 0.7mmbbl and P10 (High) potential of 1.5 mmbbl. The Chiton prospect has an assessed probability of success of 38% with the key element of risk being hydrocarbon charge.

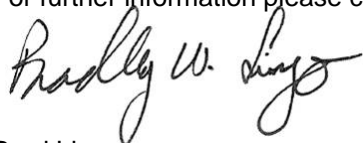
Chiton-1 will be drilled as a deviated hole to avoid a salt lake located on the ground immediately above the main target. Log While Drilling (LWD) equipment will be used in conjunction with the directional drilling equipment. The LWD equipment provides a real time log evaluation of the formations as they are penetrated offering immediate results of the well during drilling. No additional logging or testing is planned at total depth, because of the risks associated with running logging and test tools into a deviated hole.

Working Interests in the Chiton-1 well are: Drillsearch Energy Limited 60% and Beach Petroleum Limited 40%

Competent Person Statement

Information on the Reserves and Resources in this release is based on information compiled by Mr. Chris Carty, Chief Operating Officer and a full time employee of Drillsearch, who has given his consent as of the date of this release to the inclusion of this statement and the information in the form and the context in which they appear in this release.

For further information please contact:



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Or visit the website www.drillsearch.com.au

Chiton-1 Time Depth Curve

CURRENT DEPTH:
1136 m at 6 am 13 August 2009

OPERATION: Drilling ahead in
Wallumbilla Formation

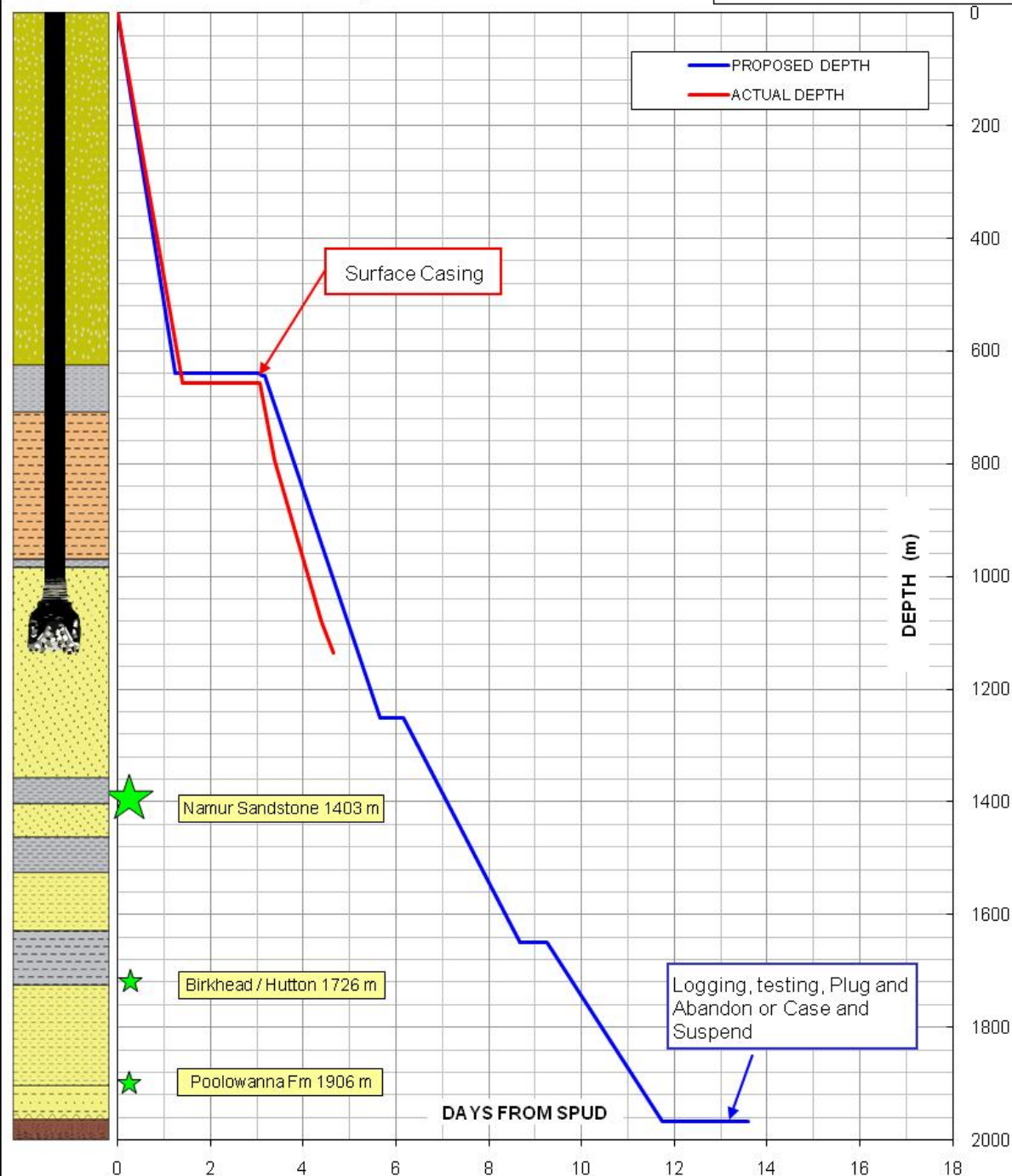
PEL 91
Cooper Basin SA

WELL DETAILS

RIG	Ensign Rig#30
GL	7.4 (MSL)
RT	24.4 m (MSL)
TD	968.8 m (MD)

Location (Zone 54 GDA94)

Latitude	27° 47' 02.16"S
Longitude	139° 21' 00.34"E
Easting	337 442 m
Northing	6 925 641 m



About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional oil and gas projects. Drillsearch Energy merged with Great Artesian Oil and Gas (ASX: GOG) in 2008. The merged group has a strategic spread of petroleum exploration and production acreage in Australia's most prolific onshore oil and gas province, the Cooper/Eromanga Basins in South Australia and Queensland, as well as offshore exploration in the Carnarvon and Gippsland Basins. Drillsearch also has interests in PNG and Canada. The Company's focus is on 'brownfields' exploration where geological risk is reduced and there is access to existing infrastructure, ensuring that any discoveries can be brought into production.