

**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.

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**Expiration of Turtle-Barnett Retention Leases**

Drillsearch Energy Limited (ASX:DLS) advises that the Joint Authorities responsible for administering the Retention Leases for the Turtle field (WA-13-R) and the Barnett field (NT/RL 3) have determined not to renew the two Retention Leases and as a result Drillsearch no longer has any interest in either of the Leases. The two leases are located in the Bonaparte Basin offshore Western Australia and the Northern Territory.

Prior to this event, Drillsearch had determined as part of its permit portfolio review, to divest itself of both the Turtle and Barnett Retention Leases as they were not seen to add value to the strategic direction of the Company.

However, post this decision Drillsearch was approached by DVM International Limited (ASX:DVM) who expressed an interest in taking over the Retention Leases. As a result Drillsearch entered into an agreement to sell to DVM the Drillsearch Group's 100% interest in the Barnett Retention Lease (NT/RL3) and the Turtle Retention Lease (WA-13-R) as was announced by DVM on 5 August 2008.

DVM, with assistance from Drillsearch, was unsuccessful in its attempts to negotiate with the Designated Authorities any renewal of the Retention Leases and the Leases have now expired. Consequently, Drillsearch no longer has any interest that it might sell to DVM. Accordingly the agreement between Drillsearch and DVM has lapsed.

For further information contact:

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