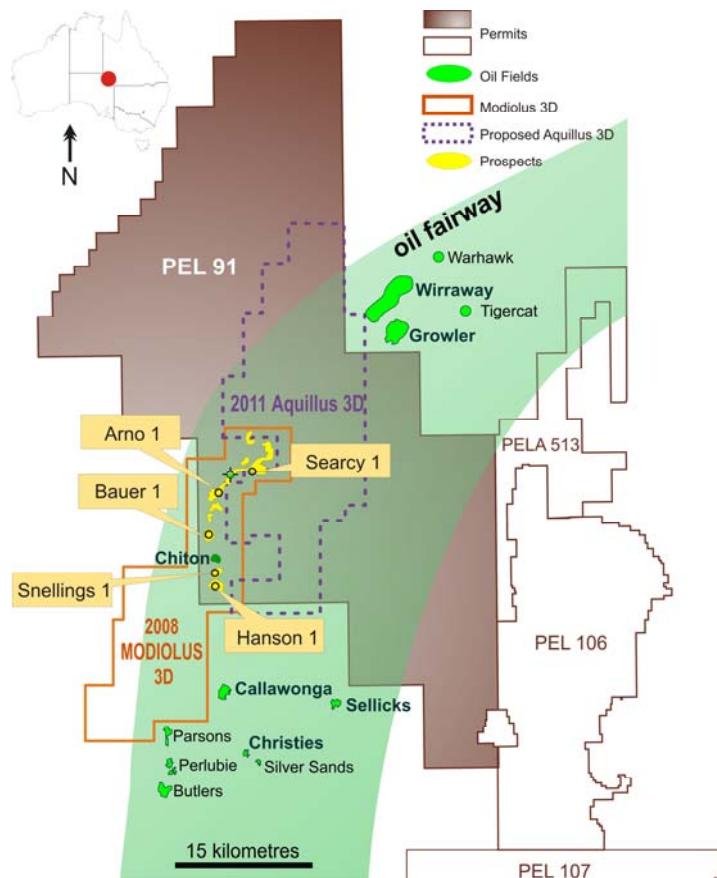


6 June 2011

Western Flank Oil Fairway - Snellings-1 Oil Exploration Well Spuds

- **Snellings-1 oil exploration well spuds**
- **Targeting up to 1 million barrels recoverable oil**
- **Drilling expected to take 10-14 days**

Drillsearch Energy Limited (ASX: DLS) is pleased to announce that following the success of the Hanson—1 New Oil Field Discovery in PEL 91, Drillsearch's Western Flank Oil Fairway drilling program continues with the spudding of Snellings-1, the second well in the five well program. The Snellings-1 well spudded at 7.00am Monday, 6 June 2011. Drillsearch holds a 60% Interest in PEL 91 while Beach Energy (ASX: BPT) as operator holds 40%. The Hanson Oil discovery is estimated to contain gross recoverable oil of up to 1 million barrels. Drillsearch also holds a 60% interest in this discovery.



Snellings-1 oil exploration well is located 1500 meters north of the Hanson Oil Discovery and 1900 meters south of the Chiton Oil Field (see map above). The primary objective of the well is the Namur Sandstone which is the productive oil reservoir in both the Chiton Oil Discovery and the

Hanson New Oil Field Discovery announced on 30 May 2011 along with numerous oil discoveries in the adjacent PEL 92 permit to the south of the Snellings prospect. The Birkhead Formation Sandstones, Hutton Sandstone and Poolowanna Sandstones are considered secondary targets for oil and have been proven at the Christies and Sellicks oilfields to the south and south east of Snellings-1. Drilling will be to a total depth of 1935mRT and it is expected that the drilling will take 10-14 days.

Seismic mapping of the Namur horizon indicates that the Snellings Structure has approximately 10 metres of independent structural relief and potentially encloses an area of 1.0km². The Snellings Prospect is estimated to have up to P10 High-side Recoverable Prospective Resource potential of up to 1.0 million barrels of oil.

Snellings Estimated Gross Prospective Resources			
	Best (P50)	Mean	High (P10)
Recoverable Oil (bbls)	270,000	430,000	1,000,000

Details of the Snellings Prospect are set out in the attached Prospect Data Sheet and accompanying maps and seismic sections.

Snellings-1 will be drilled as a conventional vertical well with wireline logging and possible testing planned after the well reaches total depth. The main target zone is expected to be penetrated five to seven days after spud.

Mr Brad Lingo, Managing Director noted that "Following the success of the Hanson-1 Oil Discovery announced on 30 May 2011, the spudding of Snellings-1, the second well in our five well drilling program is very encouraging. We are progressing on schedule, and we look forward to providing you with further updates on the exploration work we are undertaking in the highly prospective Western Flank Oil Fairway."

Yours faithfully



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About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional and unconventional oil and gas projects. Drillsearch 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. 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.

Competent Person Statement

Information on the Reserves and Resources in this release is based on information provided to the company by Beach Energy Ltd as operator of the PEL 91 Joint Venture and compiled by Mr. David Evans, Chief Technical Officer 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.

Attachments

Snelling-1 Prospect Data Sheet

Well: Snellings-1

Tenement: PEL 91

Status: Exploration Well

Participants: Drillsearch Energy Limited: 60%
Beach Energy Limited (Operator): 40%

Location: Seismic Ref: Modiolus 3D – Inline 3186, CDP 10969
Latitude: 27° 48' 02.82"S
Longitude: 139° 21' 08.96"E
Northing: 6 923 777 N
Easting: 337 703 E
Datum: GDA 94

Total Depth: 1935 mRT (preliminary)

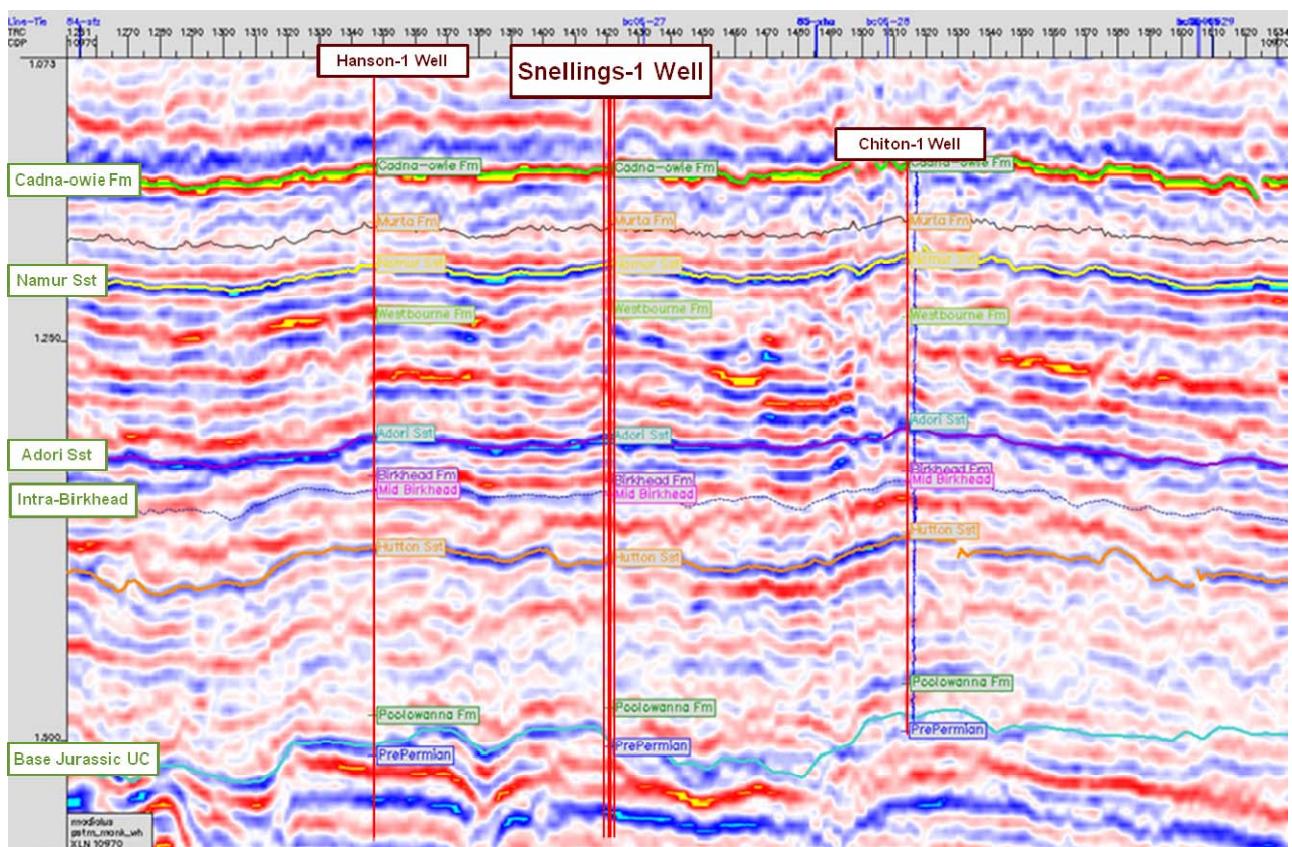
Elevation: Ground Level: 15m above MSL (approx)
RT: 22m above MSL approx (dependant on rig)

Primary Objective: Namur Sandstone

Secondary Objective: Birkhead Formation Sandstones
Hutton Sandstone
Poolowanna Sandstone

Nearest Wells: Chiton-1: 1.9km to the north
Lhotsky-1: 7.6km to the south
Murninnie-1: 8.7km to the south-west
Marino-1: 11.2km to the north

Seismic Traverse (south-north) from Hanson-1 (91-48 south) to Snellings-1 to Chiton-1



Namur Sandstone Time Structure Map

