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Chiton Oil Field Production Recommences / Canunda Production and Extended Production Testing Restart Imminent

Drillsearch Energy Ltd (ASX: DLS) is pleased to announce that production at the Chiton Oil Field located in PEL 91 on the Western Flank Oil Fairway has recommenced, as receding floodwaters allow better access to the site. Production had been suspended since early February this year.

The Chiton Oil Field is the first commercial oil discovery in PEL 91 and is owned by Drillsearch (60%) and Beach Energy Ltd (40% and operator). Chiton is a significant project for Drillsearch and could potentially increase the Company's annual oil production by over 100% and contribute materially to cash flow in the near term.

Drillsearch would also like to announce that it has been advised by the operator, Beach Energy Ltd (ASX: BPT) that operations continue on the rain effected extended production testing on the Canunda Wet Gas/Liquids Discovery in PEL 106B in the South Australian Western Cooper Basin. The Canunda Wet Gas/Liquids Discovery and PEL 106B is owned by DLS (50%) and BPT (50%) as operator.

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About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional 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. The company also has offshore exploration interests in the Gippsland Basin and in PNG as well as oil & gas production interests in Canada.

Western Flank Oil Fairway
PEL 91 – Chiton Oil Field and Canunda Wet Gas/Liquids Discovery

