

ASX ANNOUNCEMENT

23 July 2015

Drillsearch June 2015 Quarterly Presentation

Drillsearch Energy Limited is pleased to provide the attached presentation that accompanies the release of its June 2015 Quarterly Report. A conference call for analysts and investors will be held at 11am (AEST) on Thursday 23 July 2015. Details of the call are contained within the Quarterly Report and a recording will be available on the Drillsearch website later today.

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June Quarterly Presentation

JULY 2015

Continuing to Deliver in a Challenging Market

Drillsearch

Important Information

References to “Drillsearch” may be references to Drillsearch Energy Limited or its applicable subsidiaries.

The FY2015 reporting period is the twelve months to 30 June 2015. Unless otherwise shown, comparative period is twelve months to 30 June 2014.

References to \$ are references to Australian dollars unless otherwise stated. Financial information in this presentation is unaudited.

Forward Looking Statements

This presentation contains forward looking statements. Often, but not always, forward looking statements may be identified by the use of words such as “may”, “will”, “expect”, “intend”, “target”, “anticipate”, “continue”, “guidance” and “outlook”, or similar expressions and may include (without limitation) statements regarding plans, strategies, objectives and anticipated operating or financial performance, including production volumes and costs.

Forward looking statements involve subjective judgments regarding future matters which are subject to known and unknown risks, uncertainties and other factors. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations, general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and development activities, political and social risks, both general and those specific to the oil and gas industry, changes to the regulatory framework in which the company conducts its business, environmental conditions, including extreme weather conditions, recruitment and retention of personnel, industrial relation issues and litigation.

While Drillsearch considers that there is a reasonable basis for all forward looking statements made, readers are cautioned not to place undue reliance on forward looking statements as actual results may vary materially from projected future results expressed or implied by forward looking statements. The company gives no assurance that assumptions upon which forward looking statements may be based will prove to be correct, or that the company’s business, performance or results will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or beyond the company’s control.

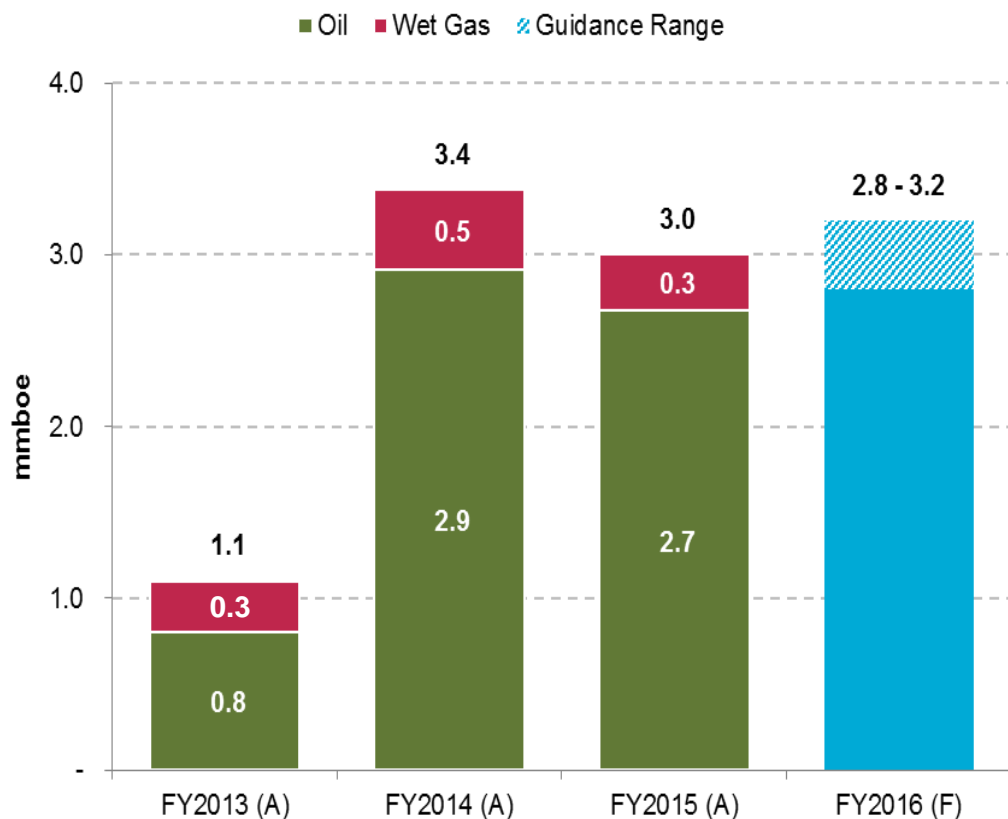
Forward looking statements in this presentation speak only as to the date of issue. Subject to any continuing obligations under applicable law, including the rules of relevant securities exchanges, the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Q4 and FY2015 Business Highlights

Safety	Q4 FY2015	FY2015	Comment
TRIFR*	0	6.64	32% reduction in TRIFR in FY2015
Financial	Q4 FY2015	FY2015	Comment
Production	0.8 mmboe**	3.0 mmboe	Western Flank tie-ins boost Q4 performance; FY2015 production in line with lower end of guidance
Average realised oil price***	\$88.50/bbl	\$97.20/bbl	Q4 prices improve from Q3; hedging benefits offset weaker global markets for FY2015
Revenue	\$60.2m	\$250.5m	FY2015 revenue impacted by weaker oil prices and lower production
Cash at 30 June 2015	\$131.1m	\$131.1m	Balance sheet remains robust and also includes \$40 million of undrawn debt facility
Capex	\$23.7m	\$142.4m	FY2015 capex lower than updated guidance; capital discipline maintained into FY2016
Operational	Q4 FY2015	FY2015	Comment
Total wells	4	41	Record work program in FY2015
New discoveries	3 in Wet Gas	12	Platform for appraisal and development activity in FY2016
Drilling success rate	100%	74%	Includes ten Bauer development wells to support future production

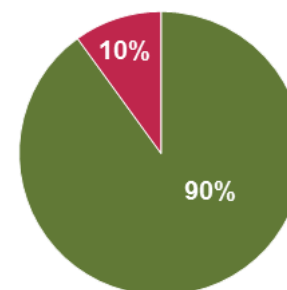
Strength in performance and execution

FY2015 Production and FY2016 Preliminary Guidance

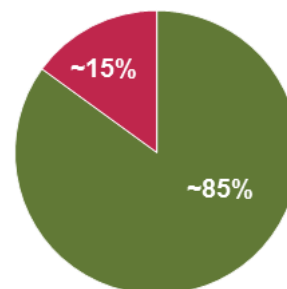


Production split by product type

FY2015 production



FY2016 production

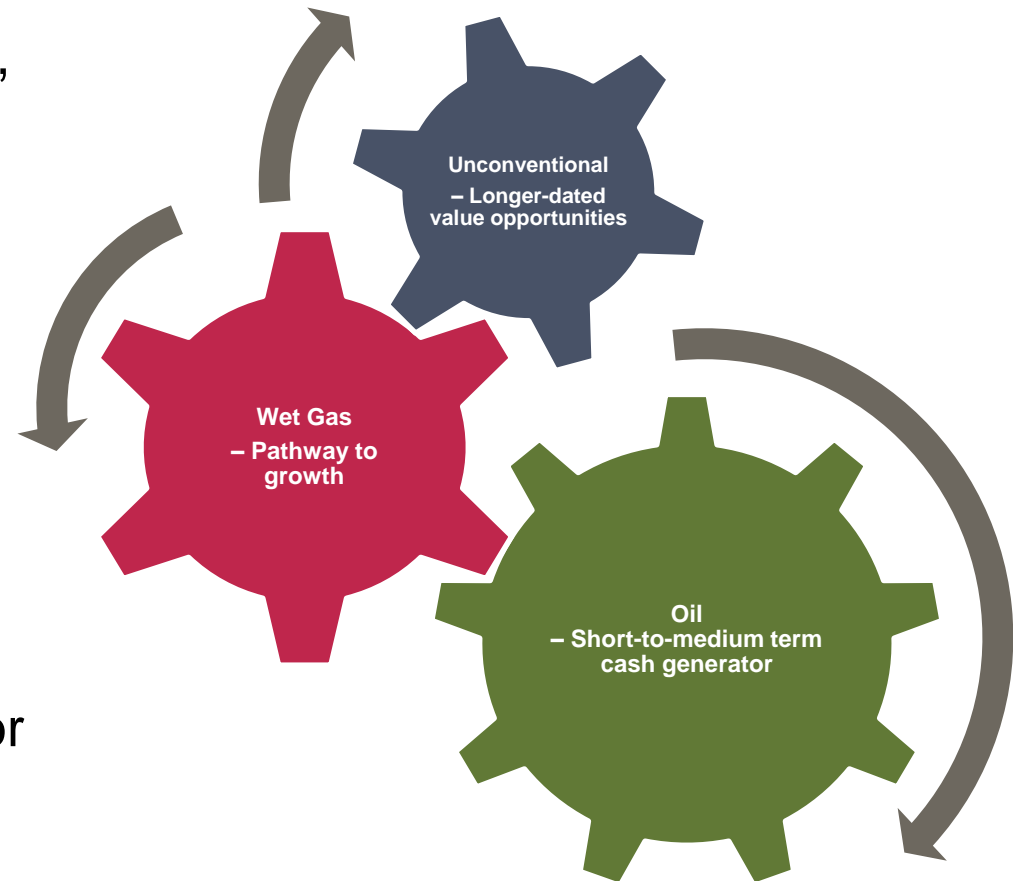


- Strong Q4 production ensures FY2015 guidance achieved
- FY2016 preliminary guidance 2.8 to 3.2 mmbob*; supported by FY2015 Western Flank development activity
- New Wet Gas production expected to come online progressively from the middle of the year

FY2016 production to be little changed; Wet Gas contribution increases

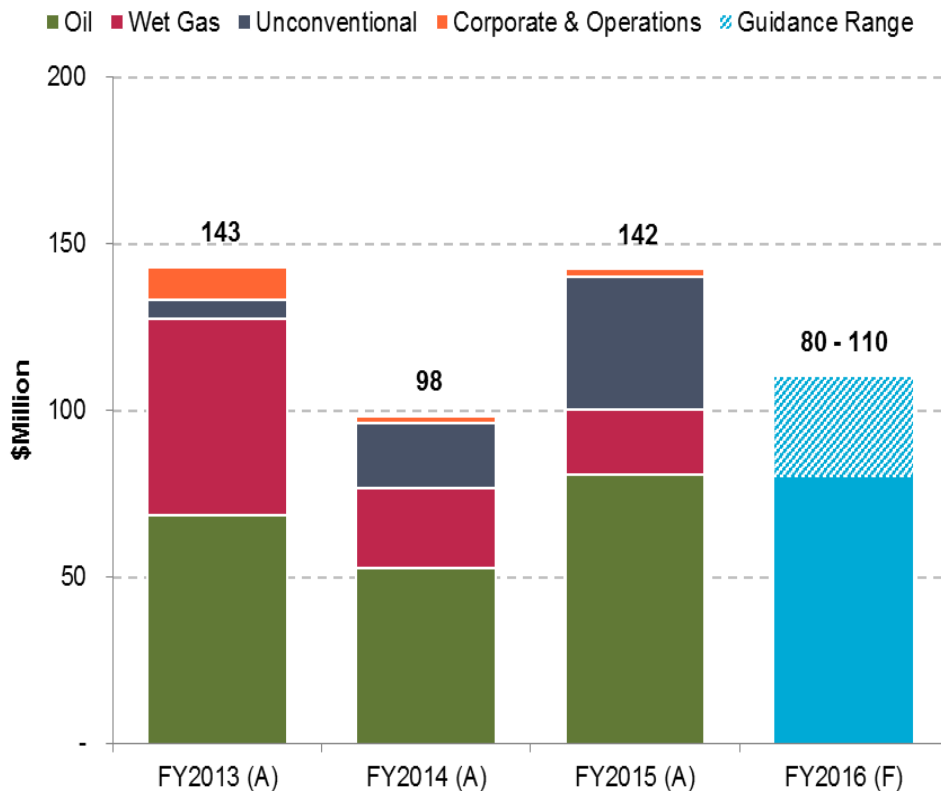
Business Priorities

- Activity that delivers production, cash flow and reserves replacement
- Matching future activity and capex to operating cash flow
- Conventional over Unconventional
- Reducing the corporate and operating cost base
- Maintaining a strong platform for future growth

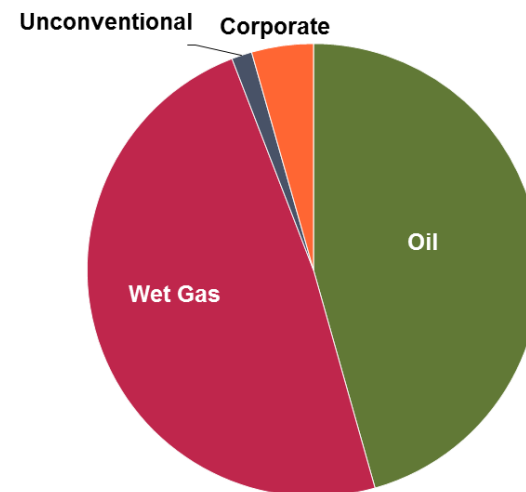


The Cooper Basin remains the core focus and offers significant growth potential

FY2015 Capex and FY2016 Preliminary Guidance



FY2016 Capital Expenditure Split



- FY2016 preliminary guidance* \$80m to \$110m**
- Significantly lower than FY2015 in line with business priorities
- Continuing benefit from free carries including PEL 570 & Western Wet Gas (STO) and Inland-Cook (BPT)

Committed to living within our means

Key Takeaways

FY2015

- Strong Q4 production performance as new Western Flank wells tied in
- FY2015 operating success provides platform for active appraisal and development program this year

FY2016

- Increasing contribution to production from Wet Gas as discoveries brought online
- Capital discipline maintained; committed to living within our means

Outlook

- Committed to long-term growth, with pipeline of organic opportunities
- Cooper Basin remains the core focus and the successful platform from which we can review opportunities elsewhere

Near-term priorities - production, cash flow and reserves replacement



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