



RIU Good Oil Conference

3 SEPTEMBER 2015

Continuing to Deliver in a Challenging Market

Walter Simpson – Acting Chief Executive Officer

Drillsearch

Forward Looking Statements

References to “Drillsearch” in this presentation 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.

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”, “planned”, “guidance” and “outlook”, or similar expressions and may include (without limitation) statements regarding plans, strategies, objectives, 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.

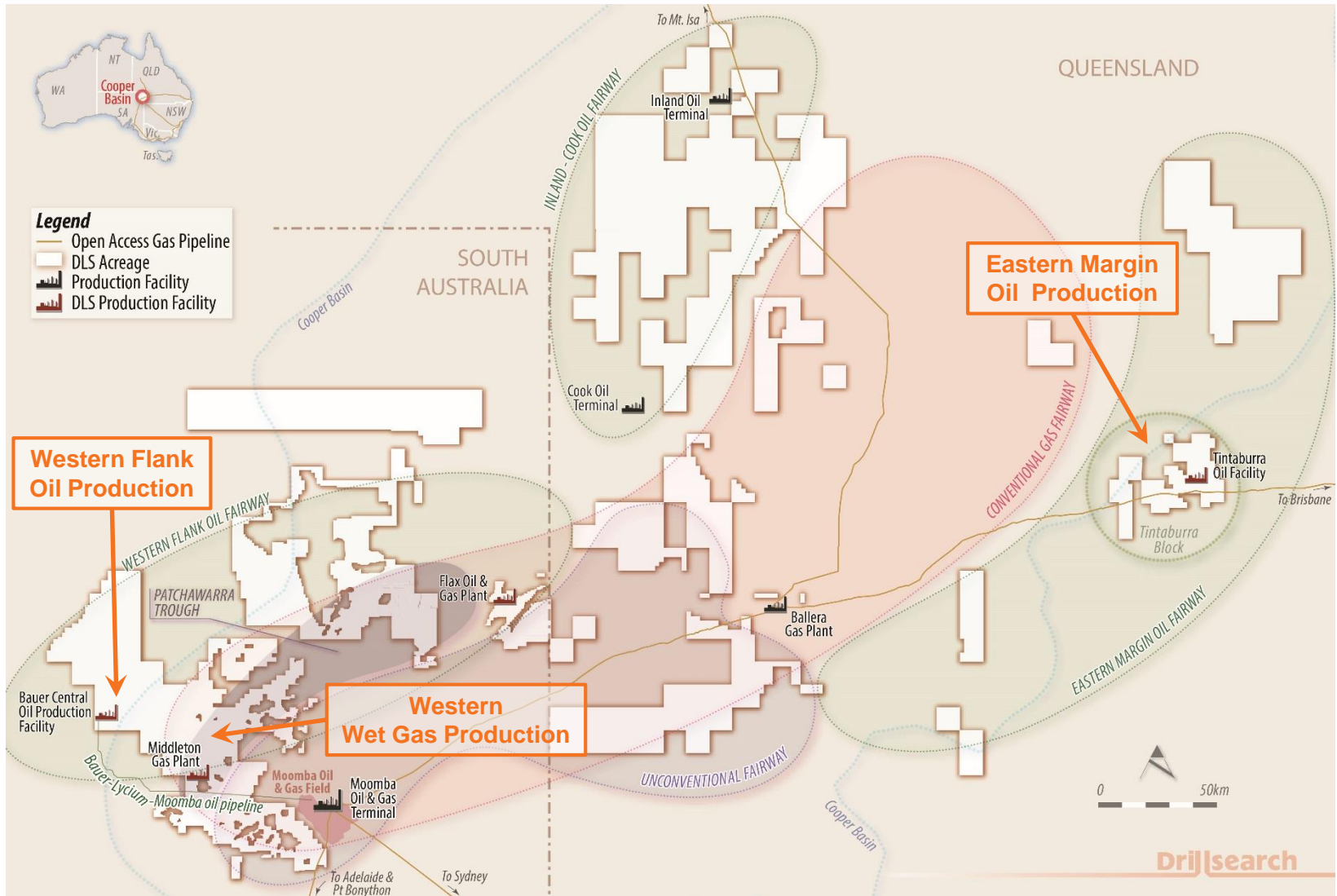
Forward looking statements in these materials speak only as to the date of issue. Subject to any continuing obligations under applicable law, including the rules of relevant securities exchanges, the company does not undertake any obligation to publicly update or revise any of the forward looking statements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

Non-IFRS accounting financial information

This presentation refers to Underlying NPAT (underlying net profit after tax) which is a non-IFRS accounting financial measure used by Drillsearch to measure the underlying business performance of the company. When reviewing business performance, this Non-IFRS accounting information should be used in addition to, and not as a replacement of measures prepared in accordance with IFRS. Non-IFRS accounting information has not been the subject of audit or review by Drillsearch’s external auditors.

Underlying NPAT excludes the impact of asset acquisitions, disposals and impairments, as well as items that are subject to significant variability from one period to the next, such as fair value adjustments and fluctuations in exchange rates.

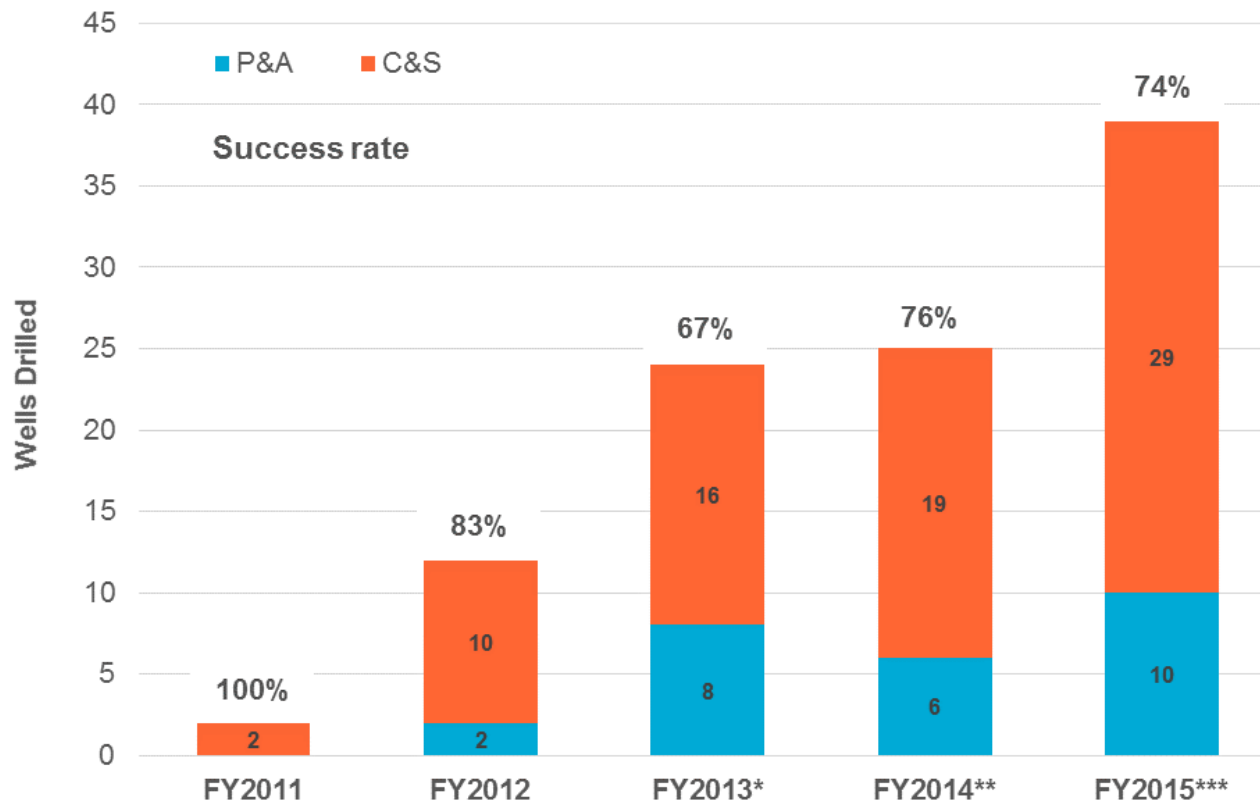
Introduction to Drillsearch



One of the largest acreage positions in the Cooper Basin

Delivering Success with the Drill Bit

Drillsearch Drilling Activity



A history of adding value through exploration

*Cypress-1 excluded from success rate as operation suspended.

**Anakin-1 and Padme-1 excluded from success rate as ongoing.

***Padme-1 and Amidala-1 excluded from success rate as ongoing.

- **Record work program delivered**
- **Production of 3.0 mmboe**
- **Oil reserves increased post production**
- **Underlying profit*** little changed
- **Decisive measures** taken in response to lower oil price
- **Strong liquidity maintained** with \$171.5m of cash and undrawn debt

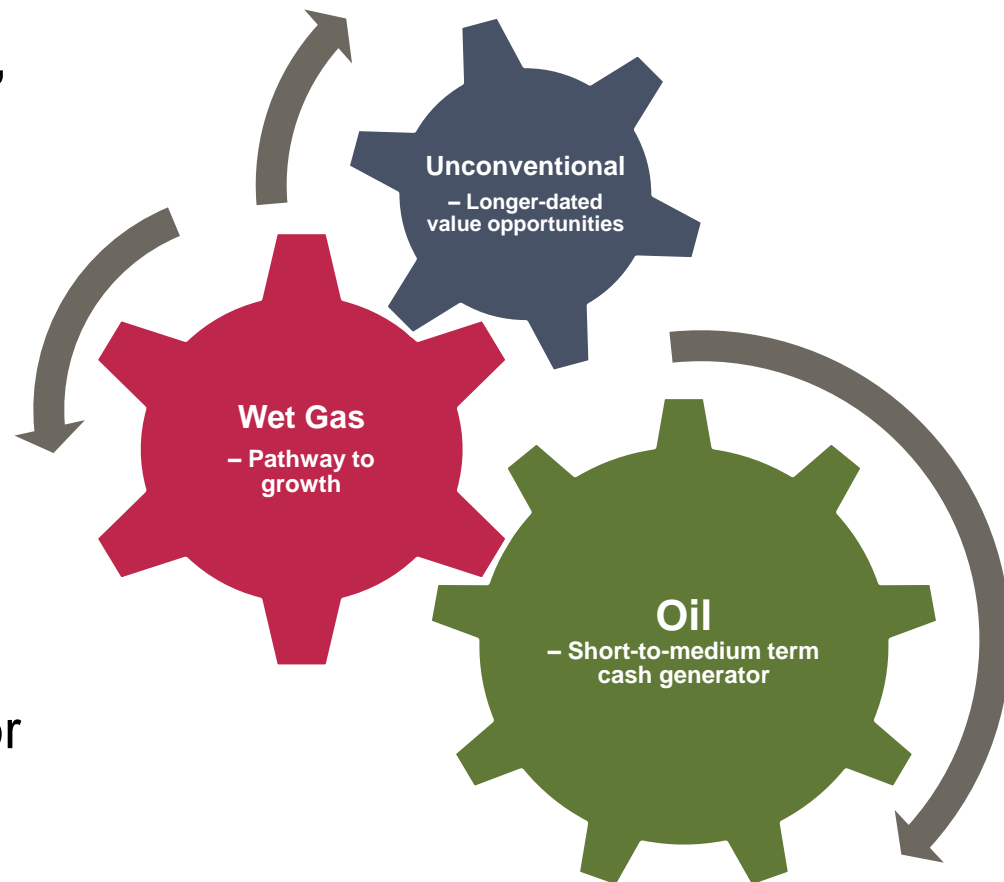
Delivered with an improved safety performance

Platform for continuing growth

*Underlying (Loss)/Profit is Non-IFRS accounting financial information. Refer to notes on slide 2 for important information regarding the Non-IFRS accounting financial information.

Prioritising our Capital in a Challenging Environment

- 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



Maintaining our capital discipline

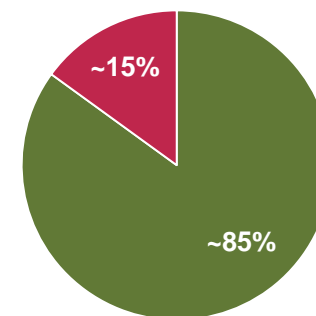
FY2016 Production Guidance¹

Guidance	FY2015 (a)	FY2016 (f)
Production (mmboe)	3.0	2.8 – 3.2 ²

- Investment in FY2015 delivers oil production in FY2016
- Facilities and wellhead capacity to maintain future production
- Commercialising Wet Gas discoveries
 - First production from Santos and Senex joint ventures online from mid-year

FY2016 Production Split

■ Oil ■ Wet Gas

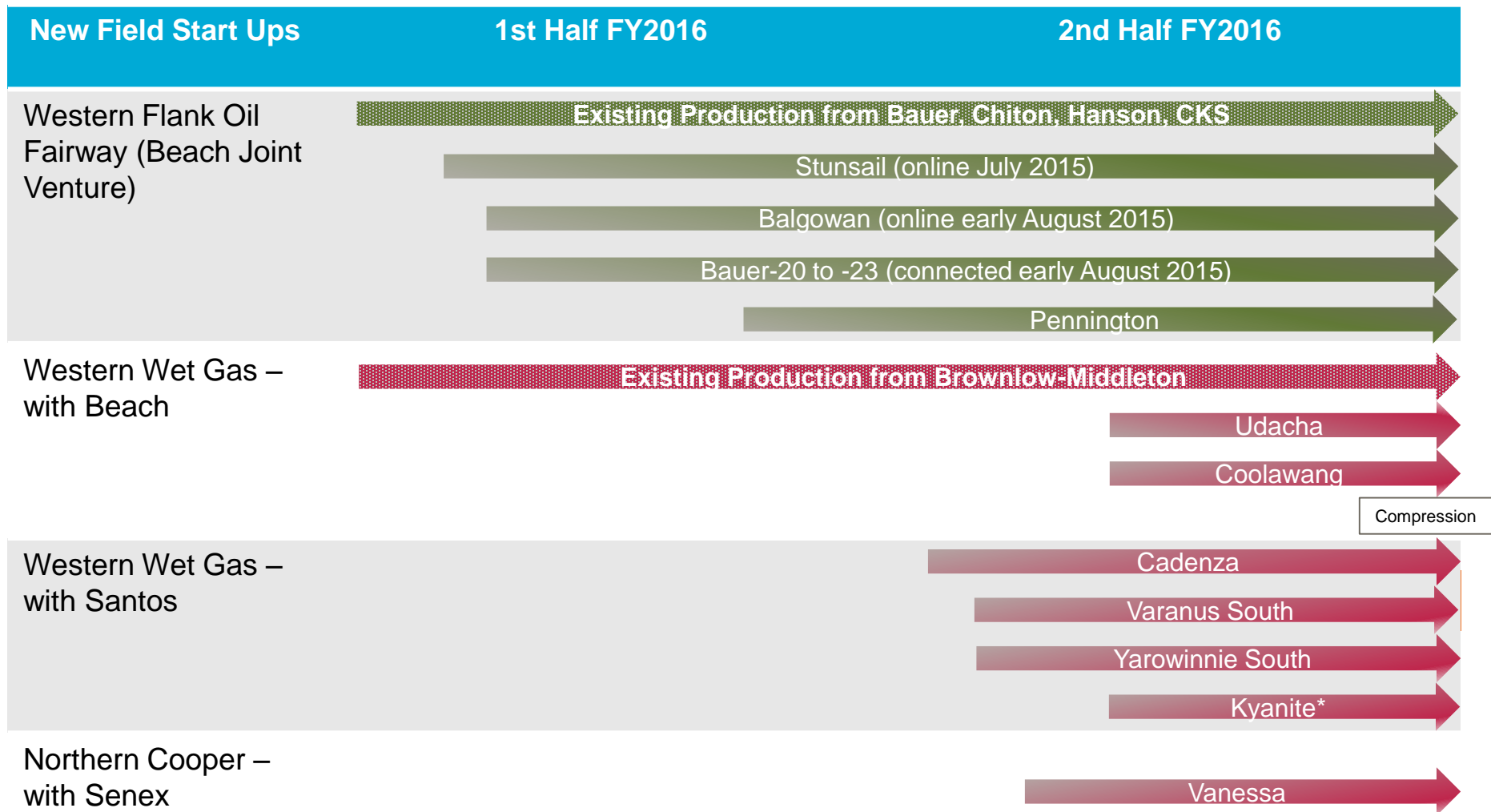


Growing Wet Gas Production

¹Refer to Slide 2 for Important Information relating to Forward Looking Statements.

²Production guidance assumes sale of Tintaburra/Eastern Margin assets

FY2016 Production Guidance **New Fields Coming Online**



Diversifying our Production Base

FY2016 Capex Guidance¹

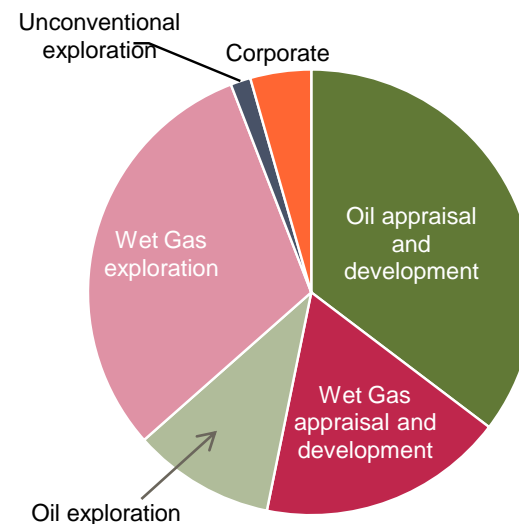
Our Priorities:

- Production
- Cash flow
- Reserves Replacement

Guidance	FY2015 (a)	FY2016 (f)
Capex (\$m)	\$142m	\$80m – \$110m ²

- 22 wells planned; with up to 15 exploration wells
- Appraisal in Western Wet Gas (JV with Santos) and Western Flank Oil (JV with Beach)
- Two exploration wells in former PEL 101 early in FY2016
- Free carries deliver additional value:
 - Exploration, appraisal and development activity in Wet Gas JV with Santos
 - Exploration wells in PEL 570 and ATP 924

FY2016 Capital Expenditure Split

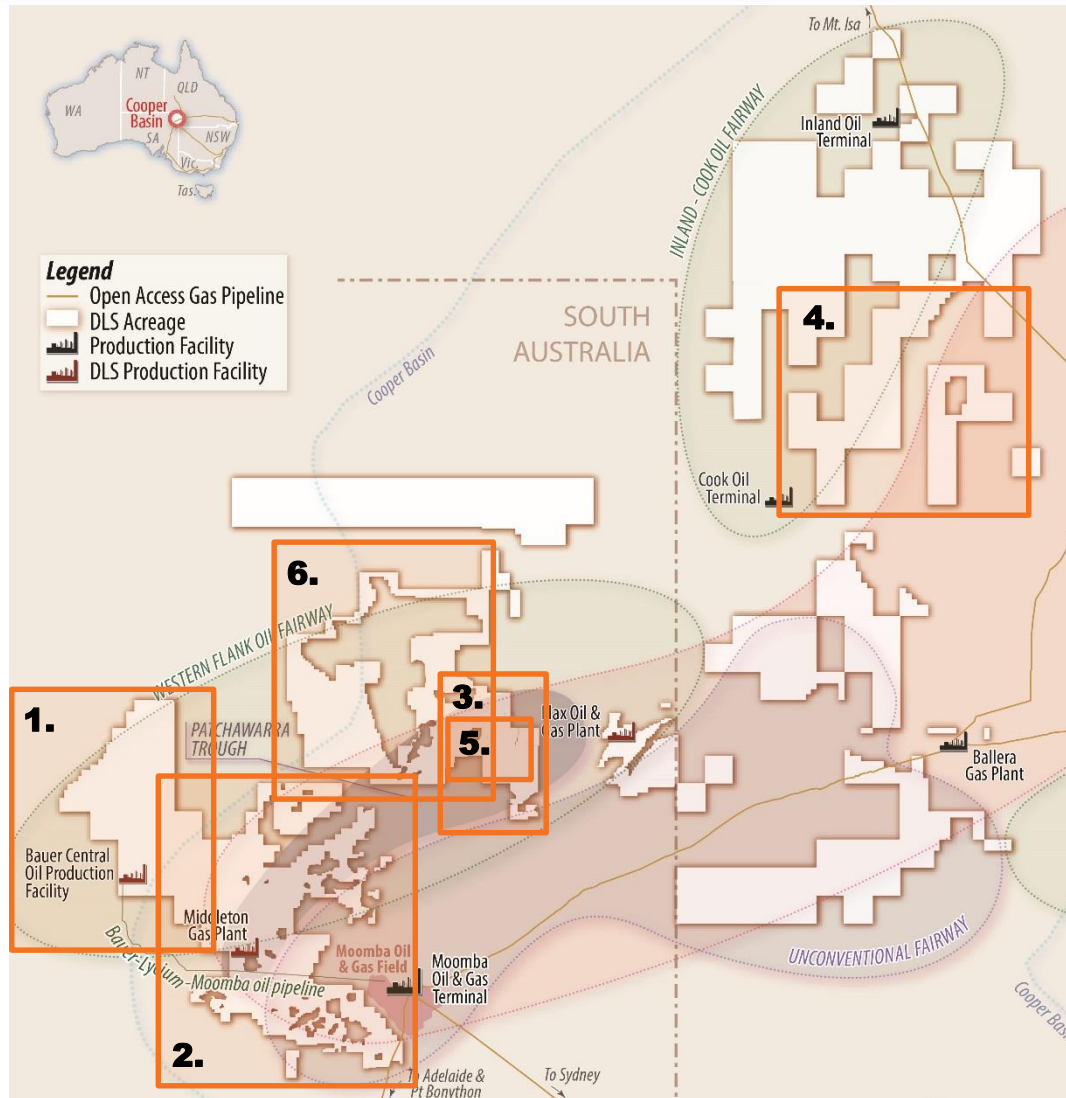


Disciplined investment while maintaining growth

¹Refer to Slide 2 for Important Information relating to Forward Looking Statements.

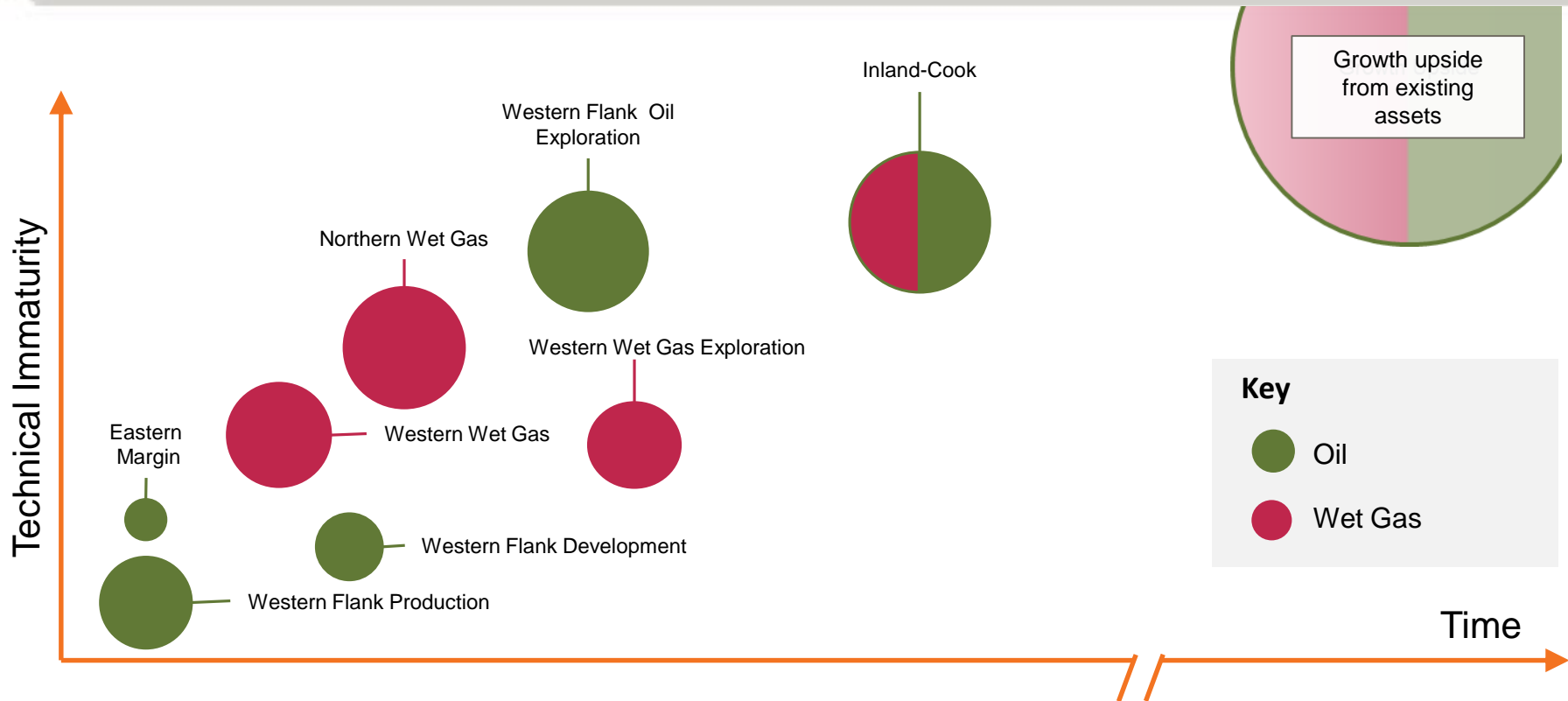
²Capital expenditure is cited inclusive of G&A, G&G and seismic expenditure. Capex guidance does not include the benefit of free carries.

FY2016 Catalysts



Committed to Exploration and Development in FY2016

Cooper Basin Growth Sustainable Repeatable Business



- 50% production growth over five years
 - existing portfolio
 - capital discipline
 - strategic priorities
- Scope for additional growth
 - upside exploration outcomes
 - improvement in market conditions (e.g. Flax)

Substantial growth platform from existing Cooper Basin business

Our Proven Approach to Adding Value Across the Chain



	Cooper	Our Strengths
Technically Driven	✓	<ul style="list-style-type: none"> • Proven technical skills – a history of success • Maintaining an independent technical view • Applying innovative technical solutions
Focused Portfolio	✓	<ul style="list-style-type: none"> • High quality acreage position • Exposure to all plays types • Balanced across the Value Chain
Capital Discipline	✓	<ul style="list-style-type: none"> • Return on investment • Prioritising production, cash flow and reserves • Critically assess surplus cash flows, growth or return capital
Commercial Acumen	✓	<ul style="list-style-type: none"> • Fast monetisation • Leverage Farm In through Free Carries • Supportive Fiscal Regime
Leveraging Partnerships	✓	<ul style="list-style-type: none"> • Complementing our skills • JVs with proven, low cost operatorship • Access to infrastructure

Cooper Remains the Core with Opportunity to Deploy Model Elsewhere

Key Takeaways

- Decisive response to changing market
- Underlying profit maintained*
- Strong balance sheet
- Continued investment in diversified production growth
- High quality portfolio drives 50% production growth over five years
- Balanced exposure to the value chain

Proven and Repeatable Approach to Value Creation

**Underlying (Loss)/Profit is Non-IFRS accounting financial information. Refer to notes on slide 2 for important information regarding the Non-IFRS accounting financial information.*



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