

## August Drilling Report

- **Unconventional Business**
  - **Washington-1 exploration well underway in PEL 570**
  - **Testing the potential of the Permian Source Rocks in the Northern Patchawarra Trough**
- **First well of Drillsearch's FY2016 Work Program**

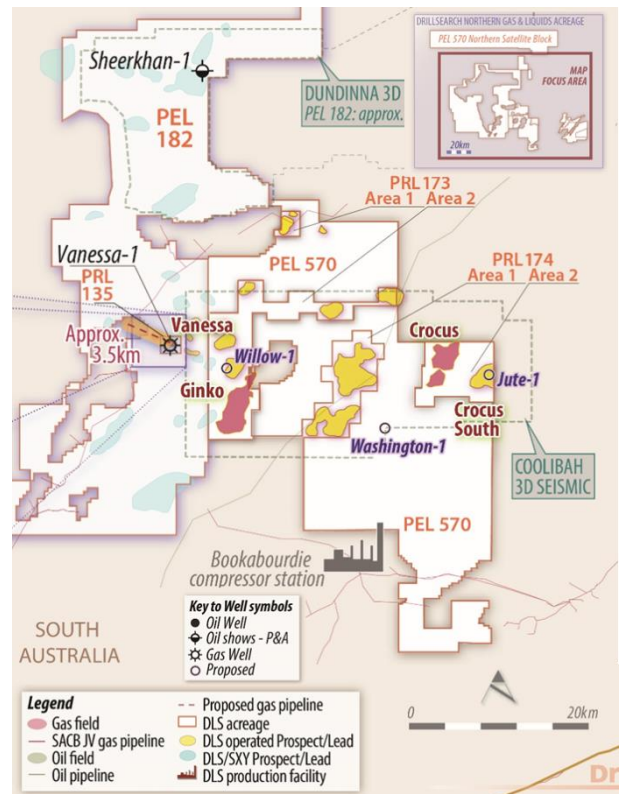
### Unconventional Business

Drillsearch Energy Limited (ASX: DLS) acquired a 47.5% non-operated interest in PEL 570 in early FY2015 through its acquisition of Ambassador Oil & Gas Limited.

PEL 570 covers 2,400km<sup>2</sup> of the Northern Patchawarra Trough, immediately adjacent to PRLs 173 and 174 (formerly PEL 101, Drillsearch 80% and operator) where Drillsearch plans to drill two wells in FY2016.

As part of the work program in PEL 570, Drillsearch and its joint venture partners (Santos 35% and Operator<sup>1</sup>; Sundance Energy 17.5%) are drilling the Washington-1 unconventional exploration well to test the Permian Source Rocks southwest of the Crocus South-1 discovery in PRL 174. Drillsearch's proportionate share of the well costs are included in the continuing free carry.

Washington-1 spudded on Monday, 24 August 2015, targeting the Permian Source Rocks in the Toolachee, Epsilon and Patchawarra Formations with a target depth of 3,686 metres. As of 2 September 2015, the well had reached a depth of 1,376 metres and was drilling ahead.



### Monthly Drilling Summary

As at 2 September 2015

Well	Participants	Progress & Summary	Primary Target	Secondary Targets
<b>Unconventional Wells</b>				
<b>Washington - 1</b>	DLS 47.5%	Spud Date: Monday, 24 August 2015	Toolachee, Epsilon and Patchawarra source rocks	
PEL 570	STO* 35.0%	Rig Release: Thursday, 24 September 2015 (Targeted)		
Unconventional Business	SEA 17.5%	Depth: 3,686 m (Proposed)		
Northern Gas & Liquids C/E Basin, SA		Operation: Drilling Progress: 1,376 m		

\* Indicates operator.

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<sup>1</sup> Santos has assumed Operatorship and may earn a 35% interest in the permit by meeting the proportionate share of the continuing free carry.