

September Drilling Report

- **Unconventional Business**
 - Washington-1 cased and suspended for future testing
- **Oil Business**
 - Maroochydhore-1 exploration well underway in the Inland-Cook Oil Fairway to test the Hutton Sandstone
- **Drillsearch free carried on both Washington-1 and Maroochydhore-1**

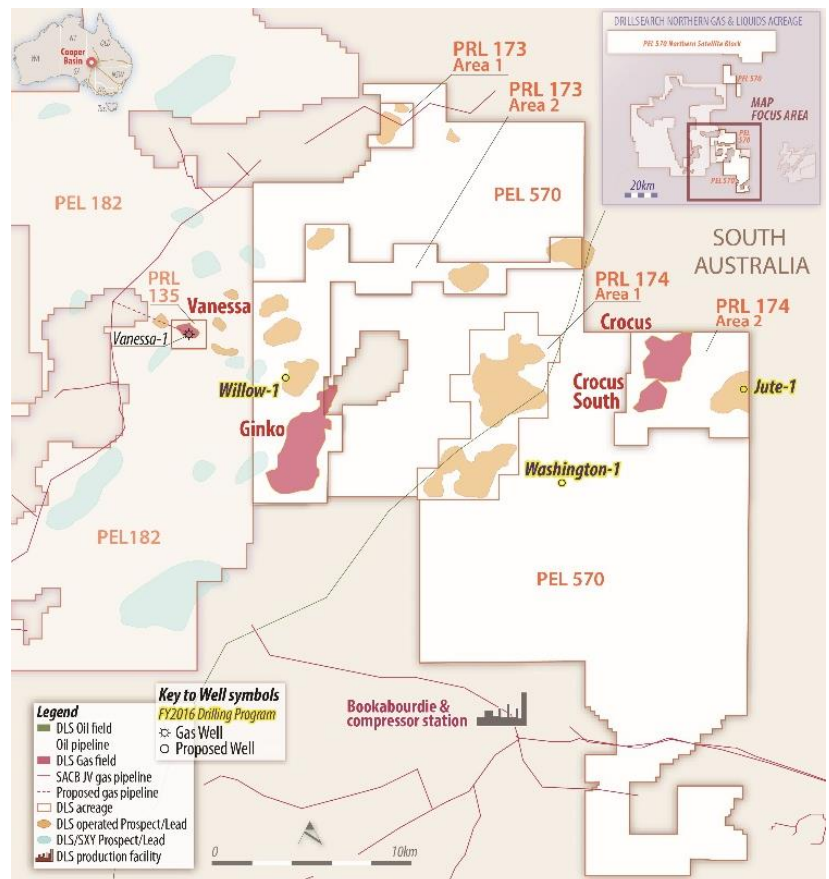
Unconventional Business

The first well of Drillsearch's FY2016 program, the Washington-1 exploration well in PEL 570 (Drillsearch 47.5%; Santos 35% and Operator; Sundance Energy 17.5%), was drilled to a total depth of 3,660 metres on Thursday, 1 October 2015.

Drillsearch's preliminary interpretation has confirmed elevated gas shows across the Toolachee, Epsilon and Patchawarra Formations from 3,241 to 3,660 metres, within both sandstones and Permian Source Rocks. A net interval of 103.4 metres of gassy Permian Source Rocks was identified over a gross interval of 420 metres, of which 51.9 metres has been identified as suitable for hydraulic stimulation.

These preliminary results are encouraging and indicate the presence of an additional Permian Source Rock section in the Toolachee Formation when compared with nearby offset wells.

Based on these results, Washington-1 will now be cased and suspended for hydraulic stimulation and testing during this quarter. Drillsearch is free carried during this campaign, under the terms of the farm-in arrangements.

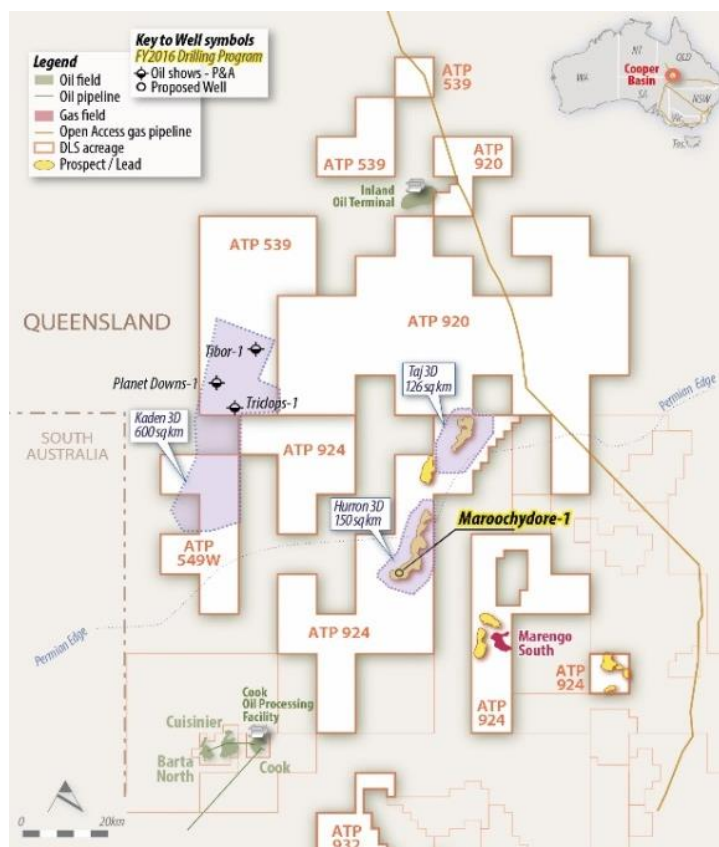


Oil Business

The second well in the FY2016 program, Maroochydhore-1, is an oil exploration well located in ATP 924 on the Inland-Cook Oil Fairway in Southwest Queensland. The well is being drilled by Beach Energy under the terms of the farm-in agreements whereby Beach may earn a 45% interest in the permit. Drillsearch's share of costs is carried by Beach.

Maroochydhore-1 spudded on Monday, 5 October 2015 with a primary objective in the Hutton Sandstone, the main producing interval in oil fields on the north eastern flank of the Cooper-Eromanga Basin, including Inland and Cook.

The well was mapped using the Hurrion 3D seismic data acquired by Drillsearch in 2014 and will test the Hurrion prospect, located between the Windorah Trough and the Yamma Yamma Depression.



Monthly Drilling Summary

As at 6 October 2015

Well	Participants	Progress & Summary		Primary Target	Secondary Targets
Oil Wells					
Maroochydhore - 1	DLS* 55.0%	Spud Date:	Monday, 5 October 2015	Hutton Sandstone	Nappamerri Group Poolowanna Formation Namur Sandstone Murta Formation
ATP 924	BPT 45.0%	Rig Release:	Tuesday, 27 October 2015 (Targeted)		
Oil Business		Depth:	2,802 m (Proposed)		
Inland Cook		Operation:	Drilling		
C/E Basin, QLD		Progress:	96 m		
Unconventional Wells					
Washington - 1	DLS 47.5%	Spud Date:	Monday, 24 August 2015	Toolachee, Epsilon and Patchawarra coals	
PEL 570	STO* 35.0%	Rig Release:	Thursday, 1 October 2015		
Unconventional Business	SEA 17.5%	Depth:	3,660 m (TD)		
Northern Gas & Liquids		Operation:	Cased & Suspended		
C/E Basin, SA		Progress:	3,660 m (TD)		

* Indicates operator.

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