

## January Drilling Report

- **Wet Gas Business**
  - **Middleton East-1 cased and suspended; new pay zone identified in the Basal Patchawarra and extension of the Middleton field indicated**
  - **Jute-1 exploration well spudded in Northern Cooper**

### Wet Gas Business

#### Western Wet Gas Fairway

The Western Wet Gas joint venture with Beach (Drillsearch 50%, Beach 50% and Operator) spudded the Middleton East-1 well in mid-January to appraise the Middleton field in PPL 239 (formerly PEL 106, see map).

The well was drilled 1,338 metres east of the producing Middleton-1 well and mapped using the Irus 3D seismic survey. Middleton East-1 reached a total depth of 2,876 meters on 27 January 2016.

Drillsearch's preliminary evaluation of well logs indicates a gross interval in the Patchawarra Formation between 2,656 metres and 2,798 metres, with net pay of 16 metres.

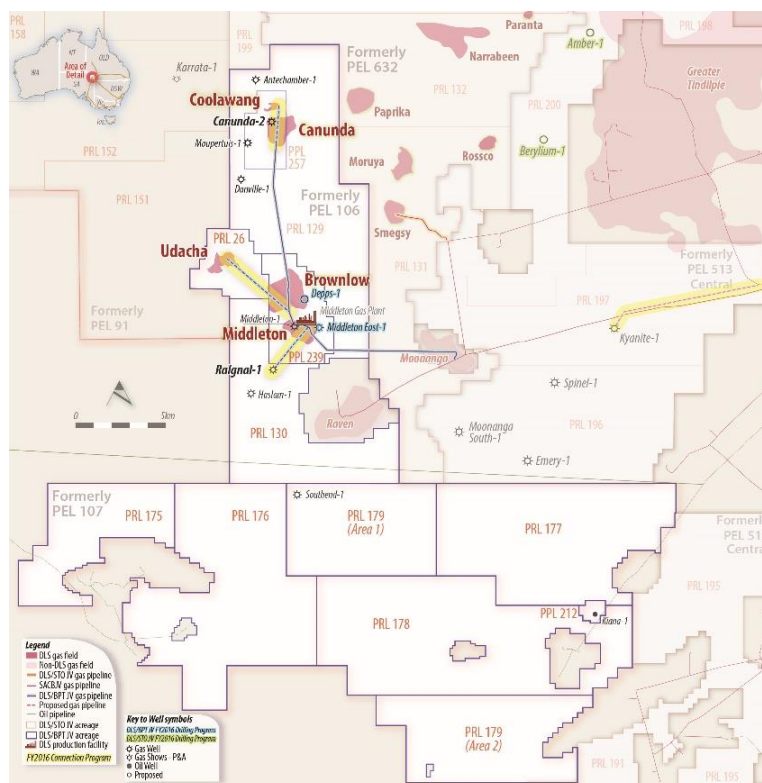
One of the pay zones encountered in the Patchawarra Formation correlates to the Middleton-1 well which was discovered in 2006, indicating an eastward extension of the Middleton field. In addition a new pay zone was identified in the Basal Patchawarra Formation. As a result, Middleton East-1 has been cased and suspended and a cased-hole test will be undertaken at a later date.

The Ensign 930 Rig has been released and moved to the Depps-1 well which is being drilled to appraise the producing Brownlow field. The well is expected to spud in early February.

#### Northern Cooper Gas and Liquids

Following the success of Willow-1 in early January, the Ensign 932 Rig moved to the second and final well in the Northern Cooper campaign, Jute-1, in PRL 174, spudding on 24 January 2016. As of 2 February 2016, the well was at a depth of 1,316 metres. It is expected to reach total depth of 3,704 metres by mid-February.

The well's key objectives include evaluation of the gas potential of tight sandstones of the Toolachee, Epsilon, and Patchawarra Formations, and the appraisal of the permit's unconventional Basin Centred Gas prospectivity.



# Monthly Drilling Summary

As at 2 February 2016

Well	Participants	Progress & Summary	Primary Target	Secondary Targets
<b>Oil Wells</b>				
<b>Bauer - 25**</b>	DLS 60%	Spud Date: Monday, 28 December 2015	McKinlay Member	Birkhead Formation
PPL 253	BPT* 40%	Rig Release: Wednesday, 13 January 2016	Namur Sandstone	
Oil Business		Depth: 1,743 m (TD)		
Western Flank Oil		Operation: Cased and Suspended		
C/E Basin, SA		Progress: 1,743 m (TD)		
<b>Wet Gas Wells</b>				
<b>Willow - 1</b>	DLS* 80%	Spud Date: Thursday, 17 December 2015	Toolachee Formation	Patchawarra Sandstone
PRL 173	Midcontinent 20%	Rig Release: Wednesday, 13 January 2016	Epsilon Formation	
Wet Gas Business		Depth: 3,402 m (TD)		
Northern Gas & Liquids		Operation: Cased and Suspended		
C/E Basin, SA		Progress: 3,402 m (TD)		
<b>Middleton East - 1</b>	DLS 50%	Spud Date: Monday, 18 January 2016	Patchawarra Sandstone	Tirrawarra Sandstone
PPL 239	BPT* 50%	Rig Release: Monday, 1 February 2016		
Wet Gas Business		Depth: 2,876 m (TD)		
Western Cooper Wet Gas		Operation: Cased and Suspended		
C/E Basin, SA		Progress: 2,876 m (TD)		
<b>Jute - 1</b>	DLS* 80%	Spud Date: Sunday, 24 January 2016	Patchawarra Sandstone	Toolachee Formation
PRL 174	Midcontinent 20%	Rig Release: Friday, 19 February 2016 (Projected)		Epsilon Formation
Wet Gas Business		Depth: 3,704 m (Proposed)		
Northern Gas & Liquids		Operation: Drilling ahead		
C/E Basin, SA		Progress: 1,316 m		

\* Indicates operator.

\*\* For further information on this well please refer to the December 2015 Drilling Report released on 13 January 2016 and the December 2015 Quarterly Report released on 28 January 2016.

For further information please contact:

Dudley White  
 General Manager – Corporate Communications  
 Phone: +61 2 9249 9669  
 Email: [ir@drillsearch.com.au](mailto:ir@drillsearch.com.au)