

**ASX Announcement**  
**17 February 2016**

## **Impairment of Exploration and Evaluation Assets**

Drillsearch Energy Limited (ASX: DLS) provides an update on the company's bi-annual assessment of carrying values, referred to in the Market Update released to the ASX on 21 January 2016.

Drillsearch advises that it expects its Half-Year Results to include non-cash impairments in the range of \$65 million to \$75 million (on a pre-tax basis) relating to the value of its longer-dated oil and gas exploration and evaluation (E&E) assets as at 31 December 2015.

The anticipated impairments are accounting adjustments relating to historical book values in the context of the decline in the oil price since 30 June 2015 and weakening market sentiment.

As stated in the Market Update on 21 January, Drillsearch does not anticipate any impairments to the value of its producing oil and gas assets.

These impairment outcomes are subject to the finalisation of Drillsearch's Half-Year Results and financial report, which are expected to be released on Wednesday 24 February 2016.

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### **Forward Looking Statements**

This Release 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", "planned" 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, unplanned operational events, 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 release 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.

**Drillsearch**