

23 June 2009

Resolution of Legal Costs

On 9 June 2009, an action brought by Drillsearch was permanently stayed by the Supreme Court of NSW. Drillsearch has agreed to pay the costs of the proceedings of the following defendants to the court action: Jim McKerlie, Glenluce Properties Pty Limited, Beng Chai Choo and Philip Kelso. It is anticipated that the amount to be paid by Drillsearch to those defendants will not exceed \$150,000 in total.

Drillsearch is pleased that the agreement reached should enable those proceedings to be resolved without the need for the parties to incur significant further costs. However, there are still other issues yet to be resolved in relation to the recent proceedings, which may result in the company incurring further costs.

For further information please contact:



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About Drillsearch Energy Limited, (ASX:DLS) which listed on the ASX on 2 July 1987, explores and develops conventional oil and gas projects. The company has a strategic spread of petroleum exploration and production acreage in Australia's most prolific onshore oil and gas province, the Cooper-Eromanga Basin in Queensland and South Australia as well as offshore exploration in the Carnarvon and Gippsland basins. Additionally Drillsearch Energy has interests in PNG and Canada. The company focus is on 'brownfields' exploration where geological risk is reduced and there is access to existing infrastructure, which ensures that any discoveries can be brought into production rapidly.