

Drillsearch Energy Limited
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Level 16, 55 Clarence Street
Sydney NSW 2000

The Board of Directors
Ambassador Oil and Gas Limited
Suite 11, Level 1
23 Oxford Street
Oakleigh VIC 3166

AND TO:

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Drillsearch (Central) Pty Limited, a wholly owned subsidiary of Drillsearch Energy Limited (ASX: DLS) – Notice of status of defeating conditions

On behalf of Drillsearch (Central) Pty Limited ABN 41 160 522 056 (**Drillsearch Bidco**), a wholly owned subsidiary of Drillsearch Energy Limited ABN 73 006 474 844, I **enclose** a notice of status of defeating conditions in relation to the off-market takeover offer by Drillsearch Bidco for all of the ordinary shares in Ambassador Oil and Gas Limited ABN 28 152 595 429 it does not own.

Yours faithfully



Jean Moore
Company Secretary

About Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional and unconventional oil and gas projects. Drillsearch has a strategic spread of petroleum exploration and production acreage in Australia's most prolific onshore oil and gas province, the Cooper-Eromanga Basins in South Australia and Queensland. The company's focus is on 'brownfields' exploration where geological risk is reduced and there is access to existing infrastructure, ensuring that any discoveries can be brought into production.

Drillsearch

DRILLSEARCH (CENTRAL) PTY LIMITED
ABN 41 160 522 056

**Notice of status of defeating conditions under Section 630(3) of the Corporations Act
2001 (Cth)**

TO: Ambassador Oil and Gas Limited ABN 28 152 595 429

ASX Limited ABN 98 008 624 691

This is a notice given by Drillsearch (Central) Pty Limited ABN 41 160 522 056 (**Drillsearch Bidco**) in relation to the offers dated 12 June 2014 made under its off-market takeover bid for all of the ordinary shares in Ambassador Oil and Gas Limited ABN 28 152 595 429 (**Ambassador**) it does not own (**Offer**) pursuant to its Bidder's Statement dated 12 June 2014 (**Bidder's Statement**), as supplemented by a supplementary bidder's statement dated 16 June 2014, and as may be further amended or supplemented from time to time.

In accordance with section 630(3) of the *Corporations Act 2001* (Cth), Drillsearch Bidco gives notice that as at the date of this notice, the Offer and any contract arising from the acceptance of the Offer is free from all conditions contained in section 11.13 of the Bidder's Statement. The Offer was freed from all conditions contained in section 11.13 of the Bidder's Statement pursuant to the notice given by Drillsearch Bid Co on 16 June 2014.

As at the date of this notice Drillsearch Bidco's voting power in Ambassador is 53.13%.

Dated: 4 July 2014

Signed for and on behalf of Drillsearch Bidco.



Director