

ASX ANNOUNCEMENT

27 October 2014

Drillsearch Completes Compulsory Acquisition of Ambassador Oil & Gas

Drillsearch Energy Limited (ASX: DLS) is pleased to announce that it has successfully completed compulsory acquisition of the outstanding shares in Ambassador Oil & Gas Limited (Ambassador). Following compulsory acquisition, Ambassador is a wholly-owned subsidiary of Drillsearch.

A claim form to enable former Ambassador shareholders whose shares have been acquired through compulsory acquisition to receive the offer consideration has been posted to the registered address for relevant shareholders.

The compulsory acquisition process finalises Drillsearch's successful acquisition of Ambassador, consolidating Drillsearch's position in the Northern Cooper and providing further diversification of Drillsearch's Unconventional Business outside of the Nappamerri Trough and into the more liquids-rich Patchawarra Trough adjacent to our existing PEL 101 acreage (Drillsearch 80% and Operator).

For further information please contact:

Brad Lingo
Managing Director

+61 2 9249 9600
admin@drillsearch.com.au

Dudley White
GM – Corporate Communications

+61 2 9249 9669
dudley.white@drillsearch.com.au

About Drillsearch:

Drillsearch Energy Limited (ASX: DLS) is one of the leading mid-tier oil and gas companies listed on the ASX. The company has undergone rapid growth over the past five years to become Australia's third-largest onshore oil producer, and one of the largest acreage holders in the prolific Cooper Basin. Drillsearch has assets that span the exploration, development and production continuum within Oil, Wet Gas and Unconventional. Its operations are highly profitable, and its work programs are fully funded from internal cash flow through FY2016. Drillsearch has successfully formed a number of key strategic alliances with leading players in the Australian and international exploration and production industry, including QGC, Santos Limited and Beach Energy Limited.

The logo for Drillsearch, featuring the word "Drillsearch" in a bold, orange, sans-serif font. The "i" in "Drill" has a vertical line through it, and the "s" in "search" has a horizontal line through it.