

**ASX Announcement**  
15 December 2015

## **Update on Proposed Merger – Court Approval and Independent Expert's Conclusion**

### **Court Approval**

Drillsearch Energy Limited (**Drillsearch**) announces that the Federal Court of Australia has today ordered a meeting of Drillsearch shareholders (**Scheme Meeting**) be convened to consider and vote on the proposed merger of Drillsearch and Beach Energy Limited (**Beach**) by way of a scheme of arrangement (**Scheme**).

The Scheme Meeting will be held at 11:00am (Sydney time) on Wednesday, 27 January 2016, at Museum of Sydney, AGL Theatre, Level 2, Corner of Philip and Bridge Streets, Sydney NSW.

If the Scheme is approved at the Scheme Meeting, and all other conditions precedent to the Scheme are satisfied or waived (if applicable), Drillsearch shareholders (other than Beach and its related bodies corporate, and certain ineligible foreign shareholders) will receive 1.25 new Beach shares for each Drillsearch share.

Further information relating to the Scheme, including the notice convening the Scheme Meeting, will be included in a scheme booklet in relation to the Scheme (**Scheme Booklet**) which will shortly be sent to Drillsearch shareholders.

A further announcement which attaches the Scheme Booklet will be released by Drillsearch following the registration of the Scheme Booklet with the Australian Securities and Investments Commission, which is expected to occur on Wednesday, 16 December 2015.

### **Independent Expert's Conclusion**

Ernst & Young Transaction Advisory Services Limited (the **Independent Expert**) has been engaged by the Drillsearch Board to provide an independent expert's report in relation to the Scheme (**Independent Expert's Report**). The Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of Drillsearch shareholders.

The Independent Expert's conclusion, along with a copy of the Independent Expert's Report, will be set out in the Scheme Booklet. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

The Drillsearch Board unanimously recommends that Drillsearch shareholders vote in favour of the Scheme at the upcoming Scheme Meeting, in the absence of a superior proposal, and each Drillsearch director intends to vote all Drillsearch shares held or controlled by him or her in favour of the Scheme.

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**Drillsearch**