



**CEO'S LETTER TO SHAREHOLDERS
MAVERICK DRILLING AND EXPLORATION LIMITED
JULY 2014**

The Chief Executive Officer and Executive Chairman of Maverick Drilling & Exploration Limited (ASX: MAD), Mr J. Michael Yeager released the following letter to shareholders via the ASX today:

8 July 2014

Dear Shareholders,

As we reported in our December 31 end of year results and updated you in April, we are undergoing a major rework of Maverick Drilling and Exploration. We are taking a step-by-step process to evaluate all aspects of what the company does and how well it does it. Simultaneously we are converting Maverick into a fully functioning oil and gas company as opposed to the vast majority of its history of over 35 years as a drilling contractor. I am proud to say that our progress continues daily, and I wanted to update you on a number of key milestones recently achieved. I also want to reinforce to you our new goals and new direction.

New Maverick

First let me reiterate what we emphasized in our April 2014 message. We are completely restructuring the Maverick senior management team to be capable of running a large scale exploration and production company. One of our main priorities involves developing a larger, stronger and more diversified asset base than the company has today. All of our new management team are capable of running large operations and we have ambitions to grow the company far beyond the current Blue Ridge operations. We have changed out and brought in new management in Finance, Drilling, Exploration, Procurement, Health and Safety and very soon in Land and Mergers/Acquisitions. We are putting in a new modern oil and gas accounting system that gives us information to assess performance more clearly. We are installing the most modern geoscience mapping system. We are taking \$1 million per month out of the Blue Ridge costs. Lastly, we are engaging with funding institutions on acquisition financing and are now screening new commercial opportunities. Overall we are focused on a future that looks very different from our past.

Our progress to date has met or exceeded all of our Board endorsed timing for the major milestones. We are very pleased with our movement toward becoming a new company that has a very different set of goals than the past, goals we feel will greatly reward shareholders in the future.

Complete Reevaluation

In order to bring Maverick fully into a new world, we must assess and address all current and historical actions the company has taken. Our goal is to have a company that is easy to understand when you look at what we own, what we are doing with it and the results we have achieved. I am proud to say that the work necessary to achieve these goals is

MAVERICK

DRILLING & EXPLORATION

progressing as we expected. This process also encompasses moving towards a greater focus on U.S. standards and reporting. We told you in our April 2014 announcement that we were reassessing Maverick's proved reserves from the prior 2012 report. We have signaled this will be a proved reserves adjustment based on new ASX regulations, which now are in line with U.S. regulations. Our Proved Reserves reported will be reduced to only being aligned to our Blue Ridge oil field development and its updated outlook. We will not report proved reserves in fields that have no production and are not currently under development, and we will not report proved reserves that are developed so far into the future that they lose being credibly valued. This means we will not report any Proved Reserves for the Boling and Nash fields where in 2012 we last reported 75.2 million barrels, and we will limit our Proved Reserves reported at Blue Ridge to only our main development fairway where we in 2012 reported 27.1 million barrels for the entire field. The Blue Ridge analysis is near final, and we will announce the adjustment from the 2012 reported number before we release our full year results in August.

Despite the upcoming changes, we do want you to see the high value, credible oil reserves that will be realistically developed at Blue Ridge in the reasonable future. We have premium priced oil barrels only, and their value should be more visible in how the company is valued. That is our goal on this updated reporting.

As part of our reevaluation, we continue to manage the Blue Ridge field and its limited upside potential while comparing it against the other opportunities. The field is over 80 years old and can be a reasonable asset, but cannot be the basis for building a growing company. Several sections of the field are depleted to the point of having very low pressure which limits economic oil recovery. We will continue to develop the major production fairway where it makes economic sense, and will for now continue to periodically test the deeper Vicksburg formation drilling targets. Our first Vicksburg well, the Woody Prospect, found uneconomic oil some distance from the main development area. Our second test, the Canal Prospect, has shown limited sands and has been plugged and abandoned. We now have new and very experienced Exploration leadership so we can now put a fresh evaluation toward these seismic prospects. We will update you on these deeper drilling results quarterly as they occur.

As the Blue Ridge field analysis has shown that only certain parts of the field have drilling targets that are competitive with other opportunities, we plan to invest in the Blue Ridge field development at a lower level of activity, but an overall higher value. Analysis has shown that being more selective on the areas of the field where we invest, despite a lower total field production volume outcome, is the better choice for shareholder value. To support this development activity change, we will reduce our drilling rigs from 6 to 5 and our workover/completion rigs from 12 to 8. We will continue to own the rigs that work in the Blue Ridge field for now as they allow us to drill a well at below market costs. However, as we move our investments beyond Blue Ridge we will not expand our owned drilling capability.

Lastly, Maverick has leased considerable acreage on three U.S. Gulf Coast fields; Blue Ridge, Boling and Nash. After considerable evaluation, a large portion of this acreage is now considered outside of our drilling plans and not prospective for development when

MAVERICK

DRILLING & EXPLORATION

compared to other opportunities. At Blue Ridge, acreage that is far from the main fairway that would not be drilled for many years will be released as the lease terms expire. At Boling, we have now progressed our technical reviews and determined that we can probably invest for higher returns elsewhere. As these studies finalize, it is unlikely that we will make further Boling investments. We will be finalizing similar analysis at Nash over the next 6 months, but in any case will only be focusing on the most prospective areas of the field. All of these actions will not only save cash and time, but will allow for our technical staff to devote more time to new and higher return opportunities.

In taking these steps in our reporting, we also move close to U.S. standards which are important as we target future acquisitions.

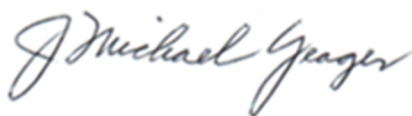
Our Future

Lastly, and most importantly, we are moving Maverick to be functionally stronger in all areas. This is the only credible way to manage the growth that we are pursuing. Each day we are becoming a safer and more reliable company. Our health and safety programs give our employees greater awareness and new skills. Our technical capabilities are expanding to take on new investment options and our management processes on equipment maintenance, land acquisitions, well selections and overall cost management are becoming more disciplined.

Our new management team is now made up of industry veterans in oil and gas development. Howard Selzer, Bal Dhami, Texas Richards, Mike McKenna and Brad Sheets are all new and they represent the CFO, Exploration, Drilling, Health/Safety and Procurement respectively. We will announce our new Land Manager in the next week, and a head of Mergers/Acquisitions in July. This team gives us the capability to capture, develop and operate multiple assets, which is now our major new goal.

All of these changes, and the significant changes in Management that I mentioned now allow us to start working toward owning a larger portfolio. There are a large number of opportunities for Maverick to acquire or take on development obligations in new assets. We are moving in that direction now and will be active during the remainder of this calendar year. We feel these very large milestones that we have achieved in only seven to eight months are significant and add strong capability to our company in pursuit of these new goals. We expect this trend to continue. All of the new senior managers at Maverick joined this company to create a valuable business that will greatly reward shareholders, and we are making significant progress toward that goal.

Yours sincerely,



J. Michael Yeager
Chief Executive Officer and Executive Chairman

MAVERICK

DRILLING & EXPLORATION

Further inquiries contact information for Maverick:

Howard Selzer
Chief Financial Officer
Houston, Texas USA
+1 832 783 5711

Andrew Crawford
Company Secretary
Australia
+61 2 4925 3659

Website: www.maverickdrilling.com

About Maverick Drilling & Exploration Limited (ASX: MAD)

Maverick is an onshore U.S. focused independent oil company. Existing oil production and reserves development are focused on the drilling of low cost, high margin oil. Maverick's main assets are large acreage positions with majority ownership over parts of the Blue Ridge field and other Gulf Coast salt domes, all of which are proven producing oil fields located south of Houston, Texas in the United States.