



AMBASSADOR OIL AND GAS LIMITED

26 August 2014

ASX Limited
Company Announcements Platform

Director Acceptances

The directors of Ambassador Oil & Gas Limited (ACN 152 595 429) (ASX: AQO) (**Ambassador**) wish to advise that they have each accepted the unconditional takeover offer by Drillsearch Energy Limited (ASX: DLS) (**Drillsearch**) in respect of the Ambassador shares they own or control, being approximately 12,475,001 shares, representing approximately 8.8% of the issued share capital of Ambassador.

Updated implied values as at close of trading on 25 August 2014

Ambassador also provides updated implied values of both offers as set out below.

The Drillsearch Offer

As at the close of trading on 25 August 2014, the implied value of the Drillsearch Offer is **\$0.335** per Ambassador Share, based on Drillsearch's closing share price of \$1.54 on 25 August 2014.

This implied value represents a premium of 71.89% to the closing price of Ambassador shares of \$0.195 on 23 May 2014, being the trading day before Ambassador entered into a trading halt pending announcement of Drillsearch's initial offer on 28 May 2014.

The Drillsearch Offer is for 1 Drillsearch Share (ASX: DLS) for every 5.4 Ambassador Shares plus 5 cents cash for every Ambassador Share. The Drillsearch Offer is unconditional and is scheduled to close at 7.00pm (Sydney time) on 27 August 2014 (unless further extended). The Drillsearch Offer is now open for acceptance.

The Magnum Hunter Offer

As at the close of trading on 25 August 2014, the implied value of the Magnum Hunter Offer is **\$0.307** per Ambassador Share, based on Magnum Hunter's closing stock price of US\$6.73¹ on 25 August 2014.

This implied value represents a premium of 57.42% to the closing price of Ambassador shares of \$0.195 on 23 May 2014, being the trading day before Ambassador entered into a trading halt pending announcement of Drillsearch's initial offer on 28 May 2014.

¹ Calculated based on an exchange rate of 0.929 US Dollar per 1.00 AUD, as published by Bloomberg on 26 Aug 2014



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The Magnum Hunter Offer is for 1 share of Magnum Hunter common stock (NYSE: MHR) for every 23.6 Ambassador Shares. The Magnum Hunter Offer is unconditional and is scheduled to close at 7.00pm (Sydney time) on 5 September 2014 (unless further extended). The Magnum Hunter Offer is now open for acceptance.

The implied value and premium of the Drillsearch Offer and the Magnum Hunter Offer will change as a result of market movements in the Drillsearch share price and Magnum Hunter common stock price. In the case of the implied value and premium of the Magnum Hunter Offer, these values will also be subject to foreign currency exchange movements.

Yours sincerely

AMBASSADOR OIL AND GAS LIMITED

Emmanuel Correia
Company Secretary

AMBASSADOR OIL AND GAS LIMITED

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