

## **Walter Simpson Appointed Chief Executive Officer**

Drillsearch Energy Limited (ASX: DLS) announces the appointment of Walter Simpson as Chief Executive Officer (CEO), effective immediately.

Drillsearch Chairman Jim McKerlie said: *"The Board is delighted to appoint Walter to lead Drillsearch through its next phase of growth. Walter is a high calibre executive with a wealth of experience in Australia and overseas and a huge passion for the oil and gas industry."*

Mr Simpson joined Drillsearch as Chief Operating Officer in March 2015 from BG Group subsidiary QGC. He was appointed Acting CEO on 3 July 2015 and has led the company in that capacity while the Board continued a global search process for a permanent CEO.

Mr McKerlie said: *"The Board considered both internal and external candidates for the CEO position. During this process, we have been impressed by the leadership qualities that Walter has demonstrated as Acting CEO. These qualities, combined with Walter's extensive experience in the oil and gas industry, convinced the Board that he is undoubtedly the best choice to take Drillsearch forward."*

Mr Simpson has more than 30 years' experience in oil and gas, working in a number of roles in the industry worldwide for BG and other companies, including Baker Hughes and BP. Before joining Drillsearch, his most recent role was as Operations/Technical and Commercial Director for QGC, including the Queensland Curtis LNG Project.

Mr Simpson said:

*"I am excited to be given the opportunity to lead Drillsearch. Drillsearch is an outstanding business, with an exceptional team, a robust financial position and a pipeline of organic growth opportunities across our core Cooper Basin operations, even during these challenging times."*

*"As CEO, my focus will be to ensure the successful execution of our long-term strategy, short-term plans, and the continuation of Drillsearch's enviable track record of performance and growth."*

For the purposes of ASX Listing Rule 3.16.4 the material terms of Mr Simpson's appointment are set out in the schedule to this release.

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## Material Terms of Employment

### Chief Executive Officer – Mr Walter Simpson

**Term:** Continuing appointment subject to termination by the Company or Mr Simpson

**Notice Periods:** Mr Simpson may terminate his employment by giving three months' written notice to the Company.

The Company may terminate Mr Simpson's employment by six months' written notice. The Company may elect to remit payment in lieu of all or part of the notice period.

The Company may terminate Mr Simpson's employment for cause without notice.

In the event of redundancy on change of control of the Company, Mr Simpson is entitled to 12 months' notice. The Company may elect to remit payment in lieu of all or part of the notice period.

Mr Simpson's entitlements on termination are subject at all times to the limit prescribed under Part 2D.2 of the *Corporations Act 2001* (Cth).

**Fixed Remuneration:** \$820,000 per annum (inclusive of superannuation contributions)

**Variable Remuneration:** ***Short term incentive (STI)\****  
Opportunity to earn up to 60% of Fixed Remuneration under the Company's STI scheme. Actual STI outcomes are subject to performance assessed against annual personal and Company performance KPIs.

STI outcomes are remitted 50% in cash and 50% in the form of performance rights granted under the Company's Performance Rights Plan Rules.

Performance Rights granted under the STI scheme vest on 30 June in the year following the year of grant, subject to continued employment.

#### ***Long term incentive (LTI)***

Annual grant of Performance Rights under the Company's LTI scheme, with the number of Performance Rights granted annually being equal to 80% of Fixed Remuneration.

Performance Rights granted under the Company's LTI scheme are subject to the Performance Rights Plan Rules and certain vesting conditions determined by the Board at the time of award, including continuing employment and Company performance conditions which are tested at the completion of a three year performance period.

**\*Note**, for the 12 months ending 30 June 2016, Mr Simpson's STI will comprise:

- a fixed component equal to \$432,000; and
- a variable component up to a maximum of \$60,000, with the actual STI outcome determined by assessing performance against personal and Company KPIs determined by the Board.

Mr Simpson's STI for FY2016 shall be remitted 50% in cash and 50% in the form of Performance Rights granted under the Company's Performance Rights Plan Rules (from time to time).