

## **GULF SOUTH JOINT DEVELOPMENT PROGRAM COMMENCED**

The Directors of Maverick Drilling & Exploration Limited (ASX: MAD) are pleased to announce the Company has commenced its Joint Development Program with Gulf South Holdings Inc. (Gulf South).

Gulf South have been successful in raising funds to participate in a 12 well program at a working interest percentage of 33.3%. This equates to Gulf South paying US \$333,333 for a 33.3% working interest in each well.

Due to Maverick's vertically integrated business strategy and tight cost control, Maverick's average cost to drill and complete a Blue Ridge salt dome well is approximately US \$250,000, which is well below average industry costs. As such, the US \$333,333 per well paid by Gulf South for their interest will fully fund the drilling and completion of the wells. Further, Maverick still retains a 66.6% working interest in each well.

The program commenced with the drilling of the West Schenck #123 in December 2012 and has continued with drilling subsequently completed on the West Schenck #119 and West Schenck #125. A further 2 wells are currently being drilled.

As detailed in Maverick's ASX announcement 3 December 2012, Maverick has allowed Gulf South to prepay funds as they are raised rather than enforcing the set month by month commitment. Maverick still intends to give Gulf South the right to participate in the joint development of the shallow oil fairways of its three salt domes over the next three calendar years. Gulf South's level of participation will be dependent on the success of their future fund raising activities.

The Directors confirm that the Joint Development Project does not include participation by Gulf South in any of the overhang, flank or high impact tests. Maverick is targeting the drilling of 64 overhang, flank and high impact tests in the 7 months to 31 August 2013 with the Directors and management excited by the production and reserve potential of these targets. Further, Maverick remains the operator of all wells completed under the Joint Development Program.

Commenting on the first tranche of funding, Art Seligman, President of Gulf South Holdings, Inc. stated "In the lead up to December 31st, there was fear in the market that the US Fiscal Cliff changes may remove the immediate deduction for intangible drilling costs. This fear impacted our ability to raise funds from our client base. Fortunately, the intangible drilling cost deduction was not impacted by the Fiscal Cliff bill passed January 1st and as such confidence has been restored in regard to this investment and tax planning tool, however it did impact our December 2012 program. We are extremely pleased with the professionalism of Maverick personnel and even more so with their operational performance. Maverick has exceeded ours and our investors' expectations. These results

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will greatly assist Gulf South in meeting our money raising goals for 2013. We very much look forward to fully taking advantage of Mavericks development drilling projects this year”.

## ABOUT GULF SOUTH

Gulf South Holding Inc. was formed in 2008 as an oil & gas exploration, drilling, development, and operating company. It's headquarters is based in New Orleans, Louisiana, USA. Gulf South drills and operates oil & gas wells for its own account and also sponsors oil & gas drilling investment limited partnerships and joint ventures to third-party investors. The management of Gulf South has extensive Gulf Coast experience and have an excellent track record of funding over \$1.5 billion in drilling projects over the past 20 years.

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### **About Maverick Drilling & Exploration Limited (ASX: MAD)**

Maverick is a diversified oil company with existing oil production and reserves focusing on low cost development of drilling prospects. Maverick's flagship assets are leases that it holds over parts of Blue Ridge, Nash and Boling Domes established producing oil fields located south of Houston, Texas in the United States and its wholly owned subsidiary Maverick Drilling Company, a 39 year old contract drilling company based in Texas.