



AMBASSADOR OIL AND GAS LIMITED

16 June 2014

ASX Limited
ASX Company Announcements Platform

**Drillsearch's increased offer for Ambassador Oil and Gas –
1 Drillsearch share for every 5.4 Ambassador shares *plus 5 cents cash per Ambassador share***

On 16 June 2014, Drillsearch Energy Limited (ASX: DLS) (**Drillsearch**) announced an increased offer by its wholly owned subsidiary, Drillsearch (Central) Pty Ltd, to acquire all of the ordinary shares in Ambassador Oil and Gas Limited (ASX: AQO) (**Ambassador**) that it does not already own for 1 Drillsearch share per 5.4 Ambassador share **to now include 5 cents cash** per Ambassador share (**Revised Offer**). Further details of Drillsearch's Revised Offer are set out in Drillsearch's Supplementary Bidder's Statement appended to its 16 June 2014 ASX announcement as Schedule 1.

The Ambassador Board has determined that Drillsearch's Revised Offer is superior than the Magnum Hunter's proposed offer (announced on 10 June 2014), and **recommends Ambassador Shareholders accept Drillsearch's Revised Offer** in the absence of a superior offer.

Drillsearch has also announced it has declared the Revised Offer unconditional. Drillsearch has also accelerated the payment terms under the Revised Offer such that Ambassador Shareholders will now receive their Revised Offer consideration within 10 Business Days of acceptance.

All Ambassador Shareholders who accept the Revised Offer, including those Ambassador shareholders who have already accepted Drillsearch's original offer (set out in Drillsearch's Bidder's Statement dated 12 June 2014) will be entitled to receive the Revised Offer consideration detailed in Drillsearch's Supplementary Bidder's Statement.

Since the announcement of Drillsearch's Revised Offer, Ambassador shareholders, who collectively hold approximately 26.43% of Ambassador's shares, have advised Ambassador that they have accepted Drillsearch's Revised Offer. In addition, David Shaw (Non-Executive Chairman) and Guistino Guglielmo (Managing Director) of Ambassador have today accepted Drillsearch's Revised Offer in respect of their shareholding (held directly and indirectly) representing approximately 6.34% of Ambassador's shares.

Ambassador will release its Target's Statement in response to Drillsearch's Revised Offer in due course.

Yours sincerely

AMBASSADOR OIL AND GAS LIMITED

Emmanuel Correia
Company Secretary

AMBASSADOR OIL AND GAS LIMITED

phone +61 3 9021 6140 fax +61 3 9530 4117 email info@ambassadorexp.com.au
address Level 1, 23 Oxford St, Oakleigh Vic 3166 Mail: PO Box 62 Oakleigh Vic 3166
website www.ambassadorexp.com.au