



Ambassador Oil and Gas Pty Ltd

9 September 2014

Drillsearch's Offer extended and now the only takeover offer open to Ambassador Shareholders

Ambassador Oil and Gas Limited (ASX: AQO) (**Ambassador**) notes the announcement from Drillsearch Energy Limited (ASX: DLS) that it has extended the Drillsearch Offer to 7:00pm (Sydney time) on 15 September 2014 (unless further extended). The Drillsearch Offer is now the only takeover offer open for acceptance by Ambassador Shareholders, following the expiration of the takeover bid by Outback Shale Hunter Pty Ltd at 7:00pm (Sydney time) on 5 September 2014.

In light of the above and Drillsearch having a relevant interest in more than 88% of Ambassador, Mr Tino Guglielmo, the former managing director and now non-executive director of Ambassador¹, recommends that Ambassador Shareholders **ACCEPT** the Drillsearch Offer.

It is noted by Ambassador that in its Bidder's Statement, Drillsearch has indicated that it intends to cause Ambassador to apply for removal from the official list of the ASX.

As at the close of trading on Monday, 8 September 2014, the implied value of the Drillsearch Offer is \$0.3000 per Ambassador Share, based on Drillsearch's closing price of \$1.35 on 8 September 2014².

This implied value represents a premium of approximately 54% to the closing price of Ambassador Shares of \$0.1950 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.

Please refer to Drillsearch's Bidder's Statement and Supplementary Bidder's Statements for important information regarding Drillsearch and the full terms of Drillsearch's Offer. If Ambassador Shareholders have any questions in relation to the Drillsearch Offer they should contact their financial adviser or contact the Drillsearch Offer Information Line on 1300 365 790 (for calls made within Australia) or +61 1300 365 790 (for international callers) between 8.30am and 5.30pm (Sydney time) Monday to Friday.

¹ Former Ambassador directors Mr David Shaw and Mr Emmanuel Correia ceased as directors with effect from 28 August 2014. Mr Jim McKerlie and Mr Brad Lingo, as nominees of Drillsearch, were appointed to the Board of Ambassador with effect from 28 August 2014.

² 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 implied value and premium of the Drillsearch Offer will change as a result of market movements in the Drillsearch share price.