

## **QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013**

### **HIGHLIGHTS**

- Gross production for the quarter averaged 1,499 BOPD. This represents a 10% increase over the September 2013 quarter gross production.
- Cash received from oil sales for the quarter totalled US\$9.0 million. Cash at 31 December 2013 totalled US\$34.8 million.
- Drilled 27 Blue Ridge wells, with 21 put online and now producing, and the balance plugged as being uneconomic.
- Capital spending for the quarter on oil and gas asset developmental totalled US\$10.9 million. Expenditure on production activities in the quarter totalled US\$1.5 million.
- Gross oil price realised in the quarter averaged US\$95.92 per barrel.
- An initial US\$6.5 million was received from Gulf South in December for 50 percent participation in the first 13 wells of the new joint development program.
- Share based payments expense recognised in the quarter totalled US\$7.0 million (FYTD US\$7.1 million).
- With the retirements of Don Henrich and Brad Simmons, J. Michael Yeager was named Chief Executive Officer and Chairman of the Board, effective 15 October 2013.

### **Commenting on key areas of focus, Executive Chairman and Chief Executive Officer, J. Michael Yeager said:**

“This quarter saw Maverick continue to operate primarily in the Blue Ridge Field. Our overall activity produced results similar to the prior quarter despite the field continuing to offer surprises and challenges. Since my arrival I have embarked on an operational and financial review of all areas of Maverick. As I gain a better view into all aspects of the business, I have initiated early actions in some areas such as improving our deeper drilling capability to address our large number of seismic targets on our current acreage, understanding our cost structure in all areas especially given our unique structure of having our own drilling services in house, and examining the financial returns on our recent and planned investments. We will be doing further work soon to ensure all of our present activities meet a solid standard for quality and value, and will be reporting back to shareholders with those findings in due course. It is likely we will implement a number of actions that will be modifications to the prior Maverick approach, with a clear goal of enhancing the Maverick value proposition today, and building the company to be able to create long term shareholder value going forward. The ultimate goal is to position Maverick for the wider pursuit of opportunities beyond our current portfolio.”

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DRILLING & EXPLORATION

## DECEMBER QUARTER RESULTS

### SUMMARY OF DEVELOPMENT ACTIVITIES

The table below summarises Blue Ridge Dome wells drilled by Maverick in the period from 1 October 2013 to 31 December 2013.

Well name	Working interest	Total depth (feet)	Sands with oil shows	Sands cored oil productive	Status
<b>Cloverleaf #81</b>	90%	4,432	14	9	Set Pipe
<b>West Schenck #758</b>	100%	4,204	19	9	Set Pipe
<b>West Schenck #1018</b>	100%	4,904	16	12	Set Pipe
<b>Cloverleaf #89</b>	90%	4,500	36	13	Set Pipe
<b>Zivley Trustee #948</b>	90%	2,640	No Cores	No Cores	Plugged
<b>West Schenck #1016</b>	100%	5,175	6	2	Plugged
<b>Cloverleaf #79</b>	90%	3,844	25	11	Set Pipe
<b>West Schenck #113</b>	100%	5,059	14	9	Plugged
<b>Cloverleaf #80</b>	90%	4,014	14	5	Plugged
<b>Cloverleaf #90</b>	90%	4,700	14	10	Set Pipe
<b>West Schenck #1014</b>	100%	5,190	9	7	Set Pipe
<b>West Schenck #625</b>	100%	4,612	25	14	Set Pipe
<b>Blakely E #816</b>	100%	3,472	13	8	Set Pipe
<b>Cloverleaf #82</b>	90%	4,593	5	4	Set Pipe
<b>Cloverleaf #91</b>	90%	4,761	23	12	Set Pipe
<b>Lee #69</b>	100%	3,118	18	9	Set Pipe
<b>West Schenck #1015</b>	100%	5,193	16	12	Set Pipe
<b>West Schenck #748</b>	100%	5,209	7	4	Plugged
<b>Santa Rosa #510</b>	100%	3,345	26	4	Set Pipe
<b>West Schenck #1020</b>	100%	4,795	19	9	Set Pipe
<b>Lee #760</b>	100%	3,665	10	5	Set Pipe
<b>West Schenck #601</b>	100%	2,970	21	7	Set Pipe
<b>West Schenck #607</b>	100%	4,827	20	15	Set Pipe
<b>West Schenck #1038</b>	100%	5,304	9	7	Set Pipe
<b>West Schenck #613</b>	100%	4,296	20	9	Set Pipe

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Well name	Working interest	Total depth (feet)	Sands with oil shows	Sands cored oil productive	Status
Gordon #730	100%	3,994	26	15	Set Pipe
West Schenck #1019	100%	5,004	No Cores	No Cores	Plugged

### ***Boling Dome***

Maverick drilled 2 wells on Boling Dome in the quarter ended 31 December 2013.

The HLN #2508 was drilled to a total depth of 1,074 feet. This well encountered 4 sands with oil shows with 2 sand coring oil productive. Maverick has set pipe on this well.

The Farmer #83 was drilled to a total depth of 3,488 feet. The well did not encounter any commercial hydrocarbons and was plugged.

### ***Nash Dome***

Maverick did not drill any new wells on Nash Dome in the quarter ended 31 December 2013.

### ***Other leases***

There were no development activities on any other leases held by Maverick during the quarter ended 31 December 2013.

## **SUMMARY OF LEASE ACQUISITION ACTIVITIES**

Maverick increased its lease holdings during the quarter ended 31 December 2013 as follows:

Field	Movement in lease holding for the quarter (net acres)	Lease holding at 31 December 2013 (net acres)
Blue Ridge Dome	-	4,596
Boling Dome	-	5,151
Nash Dome	122	9,470
Edwards Reef	-	2,627
Gillock Field	-	211

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## SUMMARY OF EXPLORATION ACTIVITIES

### *Blue Ridge Dome, Boling Dome and Nash Dome*

The Directors of Maverick consider the drilling, survey and other work completed on Maverick's current Blue Ridge Dome, Boling Dome and Nash Dome leases is of a developmental nature, as opposed to exploratory. On this basis there are no exploration activities to report in relation to Blue Ridge Dome, Boling Dome and Nash Dome for the quarter ended 31 December 2013.

### *Edwards Reef*

During the quarter Maverick's internal geology department continued the process of interpreting the results of this initial Edwards Reef prospect test well. Maverick incurred no direct expenditure in relation to the exploration activities on this prospect in the quarter.

## BOARD INFORMATION

Current board members are:

J. Michael Yeager	Executive Chairman and Chief Executive Officer
Roger Clarke	Vice Chairman and Non-executive Director
Don Henrich	Non-executive Director
Lee Clarke	Non-executive Director
Joseph Camuglia	Non-executive Director

## CONTACT

Further inquiries contact information:

Dan N. Denton  
Chief Operating Officer  
Houston Operations Office  
+1-281-416-8575

Andrew Crawford  
Chief Financial Officer and  
Company Secretary  
+61-2-4925-3659

Website: [www.maverickdrilling.com](http://www.maverickdrilling.com)

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

Maverick is an onshore U.S. focused independent oil company. Existing oil production and reserves development are focused on the drilling of low cost, high margin oil. Maverick's main assets are large acreage positions with majority ownership over parts of the Blue Ridge, Nash and Boling fields, which are proven producing oil fields located south of Houston, Texas in the United States.