

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2013

The Directors of Maverick Drilling & Exploration Limited (ASX: MAD) are pleased to present the group's June 2013 quarterly report.

FINANCIAL HIGHLIGHTS

- **OIL SALES - UP 42%.** Cash received from oil sales in the June 2013 quarter totalled US \$7.1 million representing a 42% increase from the March 2013 quarter. In addition, cash of US \$2.6 million has been received in July 2013 from June 2013 oil sales.
- **US DOLLAR FORWARD CONTRACTS.** The value of Maverick's Australian dollar to US dollar forward contract position increased by US \$3.7 million in the June 2013 quarter. These forward contracts are over Maverick's Australian dollar term deposits. The value of these forward contracts will be realised at the maturity of the term deposits at which point they will add to the cash balance. It should be noted that the value of these forward contracts is not reflected in the cash balance reported below.
- **CASH POSITION.** Cash at 30 June 2013 totalled US \$40.1 million.

DRILLING AND OPERATIONS HIGHLIGHTS

- **DRILLING.** Maverick drilled 19 Blue Ridge wells and 1 Nash Dome well in the quarter. Further details on each well are incorporated later in this report.
- **PRODUCTION - QUARTER OVER QUARTER - UP 47%.** Average gross production for the June 2013 quarter was 1,286 BOPD. This represents a 47% increase over the March 2013 quarter average gross daily production.
- **PRODUCTION - ENDING MONTH OVER MONTH - UP 29%.** Average gross production for the month of June 2013 was 1,374 BOPD. This represents a 29% increase over the March 2013 average gross daily production.

HIGH IMPACT HIGHLIGHTS

- **HONEYSUCKLE PROSPECT - BLUE RIDGE.** During March 2013 Maverick set surface casing on the Blue Ridge West Schenck #616, a well targeting the Honeysuckle Prospect. In June 2013 Maverick Rig #10 moved back onto this well to drill the remainder of the hole. In July 2013 this well was successfully drilled to a total depth of 5,983 feet and production casing has been set with testing expected to begin as soon.

Reaching the target depth is considered a milestone in the high impact program on Blue Ridge following the drilling difficulties encountered while targeting the Petunia Prospect with the Zivley #100 and Zivley #100R wells. The combination of successful techniques

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used on the West Schenck #616 included setting surface casing to approximately 2,000 feet, running intermediate casing into the Vicksburg and Jackson formations, building mud weight to almost 15 pounds and using a brine based mud system. The West Schenck #616 also successfully drilled through 500 feet of salt. The well drilled over 1,000 feet deeper than the known field depth was believed to exist in this area before encountering salt and is considered by the company to be a significant development.

The West Schenck #616 encountered 26 separate oil bearing zones with 11 of these zones coring oil productive per independent sidewall core analysis lab results. One of the oil bearing zones, which cored too tight to produce, was within the 675 feet of Yegua formation beneath the Jackson and was the primary target identified by 3D seismic. Further evaluation down dip is anticipated in the Yegua. These results are indicative of the company's view that drilling in and around a known field can produce unexpected additional pay zones and reserves.

- **RED BLUFF DISCOVERY - BLUE RIDGE.** As announced 10 April 2013, Maverick's Blue Ridge West Schenck #116 well has been credited with a new discovery after commencing production from the Red Bluff Member of the Jackson Formation of Eocene Age. The Red Bluff sand was encountered following Maverick's geology division identifying an amplitude anomaly on its 3D seismic. The well initially flowed and was later swabbed at over 100 BOPD from the Red Bluff formation at 5,100 to 5,120 feet. The West Schenck #116 is currently pumping at a steady range of 60-75 BOPD after screening and gravel packing operations have been completed.
- **ROSE PROSPECT - BLUE RIDGE.** As announced 22 May 2013, the West Schenck #618 targeting the Rose Prospect intersected 3 zones with oil shows, with 1 of these zones coring oil productive. After testing, this well has been plugged.
- **PETUNIA PROSPECT - BLUE RIDGE.** As announced 11 June 2013, due to downhole difficulties encountered in the Zivley #100R, drilling was stopped at 4,187 feet when the drill pipe and collars became stuck. After recovery of 2,850 feet of drill pipe, Maverick Rig #10 plugged the Zivley #100R. The new drilling fluids and mud which were being tested in the Zivley #100R were not successful in neutralizing the original hole difficulties of maintaining wall integrity. Therefore the walls of the hole essentially caved in around the pipe. Maverick maintains its own tools and pipe for such events and was successful at pipe recovery to mitigate costs.

Following the success of the drilling strategy adopted on the West Schenck #616 Honeysuckle Prospect, Maverick is in a position to drill the Zivley #161, another well targeting the Petunia Prospect, which has a target depth of 6,000 feet. Preparations to begin drilling this next high impact target are now underway.

- **DUCHESS PROSPECT - NASH.** As announced 10 May 2013, the Groce #185 which was targeting the Duchess Prospect on Nash Dome did not encounter any commercial hydrocarbons and has been plugged.

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- **OUTERBAND WEST SCHENCK TREND - BLUE RIDGE.** As announced 22 May 2013, there are several additional wells which are now producing from intervals not previously produced in the Blue Ridge Dome field in the Lower Frio formation at deeper depths than previously thought to hold oil. Their flow rates indicate virgin pressure and potentially greater longevity and reserves. These wells include the West Schenck #120, West Schenck #124, West Schenck #133 and West Schenck #134. Subsequent drilling underway yet even further out has continued to yield very encouraging results and oil bearing formations. Once testing has been completed these results will be reported.

ACREAGE HIGHLIGHTS

- **NASH DOME.** 734 net acres were acquired on Nash Dome in the quarter.
- **BOLING DOME.** 491 net acres were acquired on Boling Dome in the quarter.
- **BLUE RIDGE DOME.** 5 net acres were acquired on Blue Ridge Dome in the quarter.
- **TOTAL ACREAGE AT 30 JUNE 2013.** 18,411 net salt dome acres and 21,249 net total acres.

EQUIPMENT AND INFRASTRUCTURE HIGHLIGHTS

- **RIGS.** Maverick currently has 7 internal drilling rigs (6 presently in operation), 11 internal workover rigs (9 presently in operations) and 2 contract workover rigs in operation across its fields.

GEOLOGICAL AND GEOPHYSICAL HIGHLIGHTS

- An additional 2D survey was conducted on the southern area of Blue Ridge Dome to correlate various potential 3D target structures. This has been reprocessed and the resulting analysis has greatly improved the technical interpretation of the shape of the dome. New deep drillsites are being staked as a result of this endeavour. The total of prospective high impact targets across Blue Ridge and Nash Domes now exceeds 200. These are in the process of being high-graded and ranked for future drilling.

HUMAN RESOURCES HIGHLIGHTS

- During the quarter Scott Milliren agreed to terms with Maverick to come into the organisation as President of Maverick Drilling & Exploration USA, Inc. Scott comes to Maverick after a 14 year career with Helmerich & Payne International Drilling Co., and a leadership role with Southwestern Energy's drilling company. More recently he served as President of two different contract drilling companies, and President of MD Cowan, Inc. a rig manufacturing company. As part of his extensive experience Scott spent 6 years in the US Army as a Field Artillery officer having received a Bronze Star for actions in combat during Desert Storm. Scott commenced field operations with Maverick in July 2013.

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JUNE QUARTER RESULTS

SUMMARY OF DEVELOPMENT ACTIVITIES

Blue Ridge Dome

Maverick drilled 19 wells on Blue Ridge Dome in the quarter ended 30 June 2013.

The table below summarises Blue Ridge Dome wells drilled by Maverick in the period from 1 April 2013 to 30 June 2013.

Well name	Working interest	Total depth (feet)	Sands with oil shows	Sands cored oil productive	Status
West Schenck #606	100%	4,167	11	7	Active
West Schenck #605	100%	4,805	15	11	Active
West Schenck #105	66.7%	5,256	22	10	Active
West Schenck #627	100%	3,790	10	1	Plugged
Blakely C #312	100%	4,227	14	9	Active
Santa Rosa #922	100%	4,714	10	3	Active
Gordon #544	100%	3,896	15	5	Active
West Schenck #618	100%	2,102	3	1	Plugged
West Schenck #611	100%	4,592	24	13	Active
Gordon #553	100%	3,970	25	7	Active
Zivley #169	90%	4,548	19	10	Active
Gordon #556	100%	3,757	15	11	Active
Zivley #100R	90%	4,437	N/A	N/A	Plugged
Gordon #533	100%	4,673	10	8	Active
Gordon #550	100%	3,974	5	5	Plugged
Gordon #539	100%	4,792	8	8	Active
West Schenck #110	100%	4,897	9	6	Active
West Schenck #609	100%	4,553	12	9	Active
Scott #804	100%	4,000	1	0	Plugged

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Boling Dome

Maverick did not drill any new wells on Boling Dome in the quarter ended 30 June 2013.

Nash Dome

Maverick drilled 1 well on Nash Dome, in the quarter ended 30 June 2013. This well, the Groce #185 was drilled to a total depth of 5,007 feet. The well did not encounter any commercial hydrocarbons and was plugged.

Other leases

There were no development activities on any other leases held by Maverick during the quarter ended 30 June 2013.

Total expenditure classified as development

During the quarter ended 30 June 2013, Maverick capitalised US \$8,064,000 in relation to the development of Blue Ridge Dome, Boling Dome and Nash Dome.

SUMMARY OF SALES ACTIVITIES

Cash received during the quarter ended 30 June 2013 from Blue Ridge, Boling and Nash Dome oil sales totalled US \$7,147,000.

In addition, cash of US \$2,632,000 has been received in July 2013 from June 2013 Blue Ridge, Boling and Nash Dome oil sales.

Maverick received the following gross per barrel price for oil in the quarter:

Month	Gross price per barrel Blue Ridge Dome (US \$)	Gross price per barrel Boling Dome (US \$)	Gross price per barrel Nash Dome (US \$)
April 2013	107.53	105.23	106.21
May 2013	104.21	101.92	102.84
June 2013	100.90	98.23	99.10

The Blue Ridge pricing received equates to a per barrel premium to WTI of approximately US \$15.46 in April 2013, approximately US \$9.41 per barrel in May 2013 and approximately US \$5.17 per barrel in June 2013.

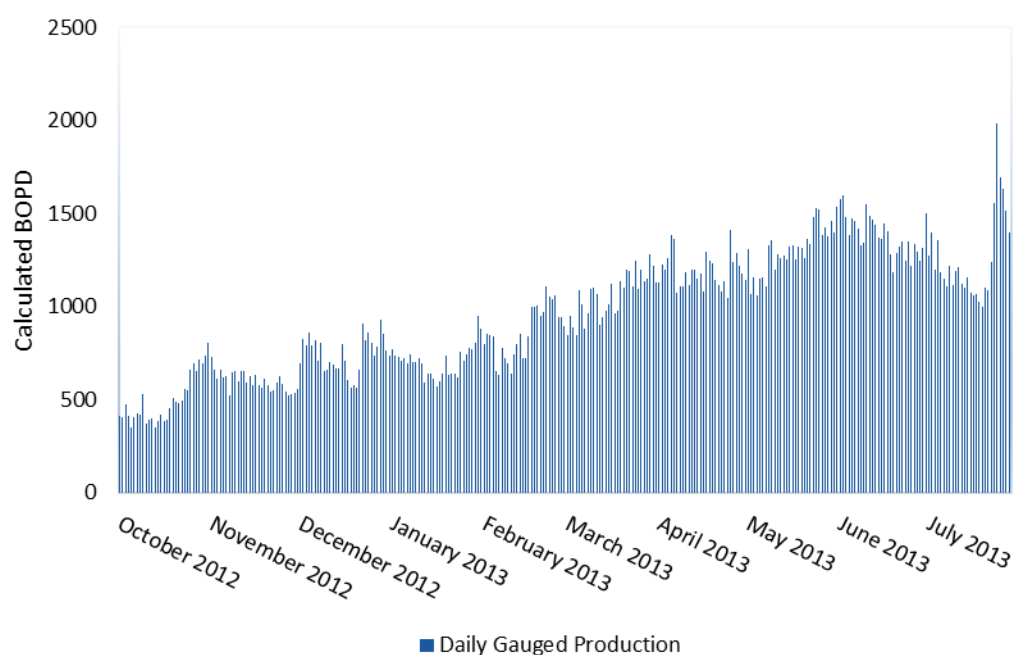
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Quarterly Texas Railroad Commission reported Blue Ridge, Boling and Nash Dome gross production for the period January 2011 to June 2013 is summarised in the table below.

Quarter	Average BOPD (Gross)
January 2011 to March 2011	373
April 2011 to June 2011	617
July 2011 to September 2011	707
October 2011 to December 2011	731
January 2012 to March 2012	755
April 2012 to June 2012	597
July 2012 to September 2012	532
October 2012 to December 2012	606
January 2013 to March 2013	873
April 2013 to June 2013	1,286

The table below shows daily estimated production as reported to management from 1 October 2012 to 29 July 2013:



Beginning in late June through July an anticipated work programme was initiated to convert several flowing wells to artificial lift to stabilize production and eliminate the volatility associated with certain free flowing wells. In accordance with our expectations there was a brief production decline while the changes were being implemented throughout the conversion process. Daily production for the period 23 July through 29 July has averaged approximately 1,600 BOPD.

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There were no production operations on any other leases owned by Maverick in the quarter ended 30 June 2013.

Total expenditure classified as production related

During the quarter ended 30 June 2013, Maverick incurred US \$924,000 of expenditure classified as production related on Blue Ridge Dome, Boling Dome and Nash Dome. Expenditure classified as production related includes among other costs direct lifting costs, repairs and maintenance expenditure on existing well bores, lease maintenance and an allocation of employee benefits expense.

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 30 June 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.

SUMMARY OF LEASE ACQUISITION ACTIVITIES

Maverick increased its lease holdings during the quarter ended 30 June 2013 as follows:

Field	Movement in lease holding for the quarter (net acres)	Lease holding at 30 June 2013 (net acres)
Blue Ridge Dome	5	4,596
Boling Dome	491	5,127
Nash Dome	734	8,688
Edwards Reef	-	2,627
Gillock Field	-	211

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BOARD INFORMATION

Current board members are:

Don Henrich	Executive Chairman
Roger Clarke	Vice Chairman and Non-executive Director
Brad Simmons	Executive Director
Lee Clarke	Non-executive Director
Joseph Camuglia	Non-executive Director

FORWARD LOOKING STATEMENTS

This announcement contains "forward-looking statements". These forward-looking statements reflect the current internal projections, expectations or beliefs of Maverick based on information currently available to Maverick. Although Maverick believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. Such forward-looking statements may include, without limitation: estimates of future earnings; the sensitivity of earnings to oil prices and foreign exchange rate movements; estimates of future oil production and sales; estimates of future cash flows, the sensitivity of cash flows to oil prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimate of reserves and statements regarding future exploration results and the replacement of reserves; and where Maverick expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to oil price volatility, currency fluctuations, increased production costs and variances in reserves or recovery rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which Maverick operates or sells product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see Maverick's Prospectus dated 2 July 2010, Annual Report, as well as Maverick's other filings. Maverick does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



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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.