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14 February 2012

## Response to price query

Mr Abeyewardene

I refer to your letter of yesterday noting an increase in the price of the Company's securities from a close of 60.5 cents on Friday, 10 February 2012 to an intraday high of 78 cents yesterday. You also noted an increase in the volume of trading in the securities over this period. My response to each question is set out below.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

The Company is not aware of any information concerning it that has not been announced to the market which, if known, could be an explanation for recent trading in its securities.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not applicable.

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

On 13 January 2012, the Company announced a substantial upgrade to its reserves, with proved reserves (1P) more than doubling to 28.1 million barrels and proved and probable reserves (2P) increasing by approximately 20.4 million barrels to 72.8 million barrels. That announcement also noted that the Company had hit a production milestone of 1,000 BOPD in late December on an intermittent basis. Subsequent to that announcement, on 23 January 2012, the Company had logged and cored its first test well on the Boling Dome Field (Tabor #272), which identified 7 potentially productive oil zones in the well and sweet crude with gravity readings of between 33 and 37 API. On 25 January 2012, the Company announced that it had completed its first well on the Nash Dome (Groce #181) which, at that time, was

swabbing 100% sweet light crude estimated 28 to 30 degrees API gravity, at a rate of 60 to 80 BOPD.

The Company believes the combination of those announcements, but most particularly the reserve upgrade on 13 January 2012, has sparked considerable investor interest in the Company. Evidence of that increase in interest, and a possible contributor to it, is the recent and increased coverage that the Company has received from a variety of investment related services. In that regard, the Company notes the following recent publications:

1. On 30 January 2012, RBS Morgans Limited released a research report on the Company identifying it as a 'buy' with a target price of 76 cents. The report identifies several price catalysts, including the maiden reserves for Boling Dome and Nash Dome by end June 2012 (consistent with the Company's guidance to the market), increased production rates (estimated by the analyst to be 1,500 BOPD by end June and 2,000 BOPD by end December) and the possibility of joint ventures with third parties (addressed below).
2. The Company is aware that StockAnalysis\*, a publication by Peter Strachan which focuses on ASX listed oil and gas stocks has made various references to the Company in his publications, including, most recently, in a report on 8 February 2012, where the Company was identified as one of the oil and gas stocks which had 'taken off' – in that article, which refers to the Company as a 'StockAnalysis favourite', the author notes a price target of 98 cents per share, which would place the Company on a market capitalisation of about \$13 per barrel 1P and \$5.20 per barrel 2P. Prior to that, in a special report on 18 January 2012, the author made reference to the Company's acreage positions in Boling Dome and Nash Dome having the potential to add over 40 million 2P reserves and noted the favourable valuation of the Company, using the acquisition made in October 2011 by Linc Energy and the comparable 2P reserve position the Company shares with Nexus Energy to reinforce the author's buy recommendation.
3. The Company is aware that Oil and Gas Weekly\* has regularly covered the Company, with the most recent report, issued on Sunday, 12 February 2012 identifying the Company as the stand out performer in the year, attributing the share price rise to 'strong reserves base, production of some 900 BOPD from the Blue Ridge Salt Dome ... and the first successful development wells on its Boling and Nash domes'. The report also makes reference to the

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\* The authors of both publications cited above are respected small to mid cap oil and gas commentators, who visited the Company's field operations in about February 2011.

Company having ‘an extensive pipeline of positive news releases about to hit the wires’. The Company believes this is likely a reference to future reserves upgrades, including a maiden reserves study for Boling Dome and Nash Dome, which it has announced that it expects to be completed by the end of this financial year, the results from the Hawes #50 well and further results from Tabor #272 and Groce #181. Indeed, the publication goes on to note that ‘we are still waiting on the results of production testing of the [Company’s] first well Tabor #272 on the Boling Dome ... [and] an announcement of a likely successful second well ... the Hawes #50 which should have commenced drilling late January. We could also get a follow up report on the [Company’s] first successful well on the Nash Dome, Groce #181’. The article concludes its discussion on the Company by saying: ‘so several potential good news stories next week to move [the Company] higher still’. Again, the Company believes these to be references to further results from drilling on Boling Dome and Nash Dome and the maiden reserves study for those fields cited above.

4. The Company is aware that ‘The Motley Fool’, a popular retail investment advisory service, had recommended the Company to its subscribers and in various free publications since 1 August 2011. Since the Company’s reserve upgrade on 13 January 2012, the service has made reference to the Company on a number of occasions, including a free publication titled ‘MAD goes bonkers’ on 2 February 2012.

The common thread on a number of these articles and publications has been the Company’s favourable valuation on a reserves basis. The Company has previously announced, in each of the three announcements referenced above (on 13, 23 and 25 January 2012) that it intended to release its maiden reserve study for Boling Dome and Nash Dome by the end of June 2012. The timing of that upgrade may be brought forward, although the Company has little control over the timing of the review, which is conducted by an independent reserve engineering firm.

By way of update on the Company’s operations on Boling Dome and Nash Dome, the Company is currently in completion testing on Tabor #272 and is expected to know the results of that testing shortly, at which time a release will be made to the market. The Groce #181 is awaiting a completion rig to complete the final production tests before it is put into newly installed sales tanks. The Company has also just set and cemented production pipe on the Hawes #50 (the second well on Boling Dome). The well is awaiting completion and production testing, and a further announcement will be made when the results are known.

Otherwise, the Company notes that it has held, over the last 12 months, and expects to continue to hold, discussions with a number of parties interested in the Company's acreage and expertise, including participating in the development of its fields by way of joint venture or by acquiring its acreage or shares in the Company. In the opinion of the Board, no such discussions are sufficiently progressed for a reasonable person to expect them to have a material effect on the price or value of the Company's securities.

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully



Andrew Crawford  
Company Secretary  
Maverick Drilling & Exploration Limited



13 February 2012

Mr Andrew Crawford  
Company Secretary  
Maverick Drilling & Exploration Limited

By email: [AC@leeclarke.com.au](mailto:AC@leeclarke.com.au)

Dear Mr Crawford

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### Maverick Drilling & Exploration Limited (the "Company")

#### PRICE QUERY

We have noted an increase in the price of the Company's securities from a close of 60.5 cents on Friday, 10 February 2012 to an intraday high of 78 cents today, at the time of writing. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email at [rohan.abeyewardene@asx.com.au](mailto:rohan.abeyewardene@asx.com.au) or by facsimile on (07) 3832 4114. It should not be sent to the Market Announcements Office (formerly Company Announcements Office).

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, by **8.30am (Brisbane time), Tuesday, 14 February 2012**.

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

*[Sent electronically without signature]*

Rohan Abeyewardene  
**Senior Adviser, Listings (Brisbane)**