

19 November 2012

Drillsearch over 90% - Offer closes today – Proceeding to compulsory acquisition

Drillsearch Energy Limited (ASX:DLS) (**Drillsearch**) is pleased to announce:

- Drillsearch has a relevant interest of 91.01% in Acer Energy Limited (ASX:ACN) (**Acer**) shares;
- The Offer closes today at 7:00pm (ADST);
- Drillsearch will promptly commence the compulsory acquisition process for all of the outstanding shares in Acer that it does not own; and
- Drillsearch will continue to acquire Acer shares on-market at the Offer price up to the date when Acer is suspended from ASX quotation (being 5 business days following the despatch of compulsory acquisition notices).

Accordingly, Acer shareholders have the following limited options:

- Accept the Offer (without incurring brokerage costs) by either:
 - i. Returning the acceptance form to Computershare (GPO Box 2115, Melbourne VIC 3001); or
 - ii. For CHESS sponsored shareholdings, instructing your broker to accept the offer, so that the acceptance is received in sufficient time to allow the instruction to be acted upon by Computershare by 7:00pm (ADST) today;
- Sell any remaining Acer shares to Drillsearch on-market by instructing your broker; or
- Await receipt of a compulsory acquisition notice, which will result in payment to shareholders being delayed for up to 6 weeks.

Drillsearch will now take the further step of transitioning the Acer Board to sole membership by Drillsearch representatives.

Acer shareholders with any questions in relation to the Offer can contact the Drillsearch Offer Information Line on 1800 356 563 (toll-free within Australia) or +61 2 8256 3388 (from outside Australia), or consult a financial or other professional adviser.

Yours faithfully



Jim McKerlie
Chairman
Drillsearch Energy Limited
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About Drillsearch - Drillsearch Energy Limited (ASX: DLS), which listed on ASX in 1987, explores and develops conventional and unconventional oil and gas projects. Drillsearch has a strategic spread of petroleum exploration and production acreage in Australia's most prolific onshore oil and gas province, the Cooper-Eromanga Basins in South Australia and Queensland. The company's focus is on 'brownfields' exploration where geological risk is reduced and there is access to existing infrastructure, ensuring that any discoveries can be brought into production.