



Australian Government

Takeovers Panel

MEDIA RELEASE

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Drillsearch Energy Limited 02 – Panel Receives Application

The Takeovers Panel has received an application from Beach Petroleum Limited in relation to the affairs of Drillsearch Energy Limited.

On 5 May 2009, Beach announced an off-market conditional takeover bid for Drillsearch. On 15 May 2009, Beach lodged its bidder's statement with ASX. On 29 May 2009, Beach lodged a supplementary bidder's statement and replacement bidder's statement with ASX.

On 1 June 2009, Drillsearch made an announcement on ASX titled "Replacement bidder's statement makes material new disclosures and bid condition waived". It stated, according to Beach, "that Beach's original bidder's statement was materially incomplete and potentially misleading to Drillsearch shareholders as it failed to provide information it possessed regarding the potential resources and value of Drillsearch's Cooper Basin interests."

Beach submits that the announcement (among other things):

- contains misleading and deceptive statements regarding the bid, bidder's statement and replacement bidder's statement
- creates false and misleading impressions that Beach withheld material information in the original bidder's statement and failed to provide material information in the original bidder's statement and
- misleadingly omits that the additional information included in the replacement bidder's statement has been in Drillsearch's possession since early April 2009, and that it (Drillsearch) had failed in disclosing it to its own shareholders.

Beach also submits that shareholders of Drillsearch may be misled as a result of "piecemeal ad hoc communication by Drillsearch in circumstances where a target's statement is yet to be given to shareholders".

Beach submits that the circumstances are unacceptable because they:

- lead to a deficiency of information, inhibiting an efficient, competitive and informed market in Drillsearch shares.
- result in Drillsearch shareholders being misled about the Beach offer and not having the information necessary to make an informed decision.

Beach seeks final orders, including an order that Drillsearch retract the statements made in the announcement.

A sitting Panel has not been appointed at this stage and no decision has been made as to whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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