



Shareholder communication guidelines and policy

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Shareholder Communication Guidelines and Policy

Drillsearch Energy Limited ACN 006 474 844

1 Introduction – “respect the rights of shareholders”

These guidelines are to assist Drillsearch Energy Limited (**DLS**) to develop policies and procedures to improve DLS’s communications with its shareholders.

Associated ASX guidelines focus on improving communications with shareholders, providing them with useful information about DLS, and facilitating shareholder participation in company meetings.

2 Shareholder communications strategy

2.1 Purpose

These guidelines are designed to establish a policy for communicating with shareholders:ⁱ

- using DLS’s website to promote and to facilitate shareholder communications; and
- improving shareholder participation in meetings by use of technology and considering Corporate Governance Council guidelines for meetings and notices.

2.2 Developing good communication practices

To improve shareholder communication DLS has determined to do the following:

- appoint authorised representatives to respond to all shareholder enquiries whether they be received via email, the website or over the telephone;
- use e-mail to provide investor updates;
- increase the use of e-mail to respond to shareholder queries and concerns;
- post a ‘contact us’ web link designed for shareholders on the website;
- send notices of meetings to shareholders by electronic means if requested, and place the full text of notices and accompanying explanatory material on the website;
- encourage shareholders to request that notices of meeting be sent to them by electronic means on an opt-in basis. (Shareholders must be able to change election at any time and have the right to request a paper version of the document that has been sent electronically);

- where cost effective broadcast annual general meetings via web cam, allowing shareholders to participate via teleconference technology;
- allow for proxies to be sent in electronically;
- allow shareholders to electronically submit general meeting questions before the meeting;
- companies are required by the Listing Rules to release full notice documentation to the ASX Companies Announcements Office. In addition, DLS should place this material on its website in a prominent and accessible position to shareholders and other market participants who may be considering an investment in DLS. Alternatively, the notice of meeting can refer to the ability to download the notice from ASX website;
- ensure all information is released on DLS website promptly after release to ASX;
- allow for shareholders to sign up to receive all ASX releases via e-mail;
- consider webcasting or teleconferencing analyst and media briefings and general meetings or posting a transcript or summary on the website;
- provide information about previous press releases/announcements and financial data on the website;
- post the shareholder communication policy on the website; and
- refer to any new procedures implemented in the annual report.

2.3 Information to consider posting on the website

As most shareholders will have access to DLS's website, DLS has developed a specific investor page to the website. Information that should be posted on the investor page includes:

- share price;
- corporate profile:
 - structure,
 - directors, and
 - management;
- shareholder updates;
- news and information;
- financial calendar;
- ASX company announcements;
- a facility through which shareholders can subscribe for ASX announcements;
- hyper link to share registry;
- annual reports;
- annual general meeting information:
 - notice of meeting,

- Chair's address,
- Managing Director's address,
- resolution results,
- transcript,
- slide/overheads, and
- webcast;
- corporate governance policies;
- query form/"contact us";
- speeches, presentations and publications involving analysts briefings; and
- investor FAQ's.

3 Shareholder communication policy

It is vital for DLS to keep its shareholders informed of its activities, its financial status and its forward strategy. DLS should communicate effectively with shareholders and make all company information understandable and accessible.

DLS is firmly committed to encouraging and facilitating shareholder communication with DLS and will do its utmost to ensure this is made as simple and effective as possible for shareholders.ⁱⁱ

The Board aims to ensure that shareholders are kept informed of all major developments affecting DLS. Examples of ways in which information should be communicated to shareholders are:

- through the distribution of the annual and half yearly reports via DLS's website;
- releases made to ASX by DLS throughout the year with respect to changes in the business, future developments, and other pertinent issues; and
- in the Chair's address delivered at the annual general meeting.

4 Annual general meetings

Shareholders at the annual general meeting are encouraged to ask both DLS and its auditor questionsⁱⁱⁱ regarding DLS's governance and business. Questions can be submitted electronically before the meeting by following the links on DLS's website.

Shareholders who cannot be present at the annual general meeting and who wish to observe the proceedings can do so by using the webcam facility where this can be cost effectively provided.

In addition, the Chair's address to the annual general meeting, a transcript of the meeting and copies of overheads and power point presentations used, are available on the website immediately after the annual general meeting.

At any annual general meeting, after each matter or resolution has been put to the meeting, the Chair will follow the procedure set out below:

- The Chair may ask for a show of hands to indicate the number of shareholders who may wish to speak. Where there are a large number of potential speakers, this will allow the Chair to try and allocate time appropriately to all speakers, balancing the need to allow each speaker a reasonable opportunity to be heard, and the need to afford as many shareholders as possible the opportunity to speak. The Chair may impose a reasonable time limit on each speaker but will not penalise a speaker for exceeding the suggested time frame, unless the Chair reasonably believes that comments have become repetitive, are time wasting or irrelevant to the matter or resolution at hand.
- The Chair will take questions from the floor on a rotational basis until all questions are exhausted. All speakers will be asked to restrict themselves to no more than two questions or comments when addressing the meeting. In rotating through the attendees, the Chair will give priority to a person who wishes to address the meeting for the first time over a person who has already spoken on the same motion. A speaker wishing to speak more than once on a motion may indicate they wish to speak again. He or she may not hold the floor and continue on to the next question unless the Chair so permits.
- The Chair will take only questions and comments directly related to the matter or resolution at hand. However, any genuine questions which arise as a natural result of discussion during the meeting but which do not specifically relate to the matter or resolution at hand may be taken at the discretion of the Chair. In addition, shareholders may ask the auditor to answer questions relating to the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by DLS and the independence of the auditor in relation to the conduct of the audit.
- The Chair may permit the auditor or their representative to table written answers to written questions. DLS must make the written answers reasonably available to members as soon as practicable after the AGM.
- The Chair should discourage and, if necessary, curtail irrelevant questions and comments. Shouting, swearing, insulting or aggressive behaviour will result in the speaker being asked to resume his or her seat. Where a speaker refuses to respond to the Chair's request, the Chair will warn the speaker that he or she has the power to ask the speaker to leave the meeting. If the speaker still refuses to respond, the Chair will, ask the security guards to escort that person from the meeting where the Chair judges it necessary to maintain good order and the functioning of the meeting. Although the Chair has power to order removal from the meeting, it is generally to be regarded as a power of last resort.
- The Chair will exercise the power to adjourn the meeting:

- if he or she decides it is necessary to maintain orderly conduct of the meeting;
- to give all persons a reasonable opportunity of speaking and voting at the meeting; or
- to ensure that the business of the meeting is properly disposed of.

The meeting will be adjourned to a place and time reasonably consistent with the original meeting.

- The Chair will endeavour to answer all questions relevantly and frankly. If a question requires a very length answer which the Chair judges not to be of general interest to the meeting, the Chair may offer to meet the shareholder outside the meeting or refer the shareholder to DLS information booth operated in the meeting foyer for the purpose of providing a full answer, as appropriate.
- The Chair will indicate ahead of debate whether a resolution will be submitted to a show of hands or put to a poll. Unless the Chair determines there is a reason to progress directly to a poll, resolutions will be submitted in the first instance to a show of hands. The show of hands will be followed by a poll, where this is required or appropriate.
- Following the conclusion of debate on a resolution, and before the resolution is put to the meeting, the Chair will disclose the way in which proxy votes have been cast on the resolution and the way in which the Chair will cast those undirected proxies given to the Chair.

5 Annual report

DLS believes it is important to provide effective communication to its shareholders. DLS's annual report is the main vehicle for communicating activities and performance for the previous 12 months. The annual report is posted on DLS's website and can be downloaded.

6 Continuous disclosure

DLS's Disclosure Policy and practices are aimed at ensuring timely access for all investors to company information released under the continuous disclosure rules.

These practices include:

- information released by DLS, including media releases and investor briefing materials, is first released to ASX; and
- such information is posted on DLS's website immediately following release to ASX.

DLS's senior management meets regularly to consider its continuous disclosure obligations.

Unless DLS considers it has an obligation to make a statement on a particular matter, DLS's policy is not to respond to market rumours and media speculation.

DLS also uses an e-mail service to notify shareholders who have registered for the service, of all price sensitive ASX announcements, press releases and significant events. Regular media and ASX announcements and external presentations in relation to performance and business activities are also posted on the website.

ⁱ ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, Recommendation 6.1.

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