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12 October 2012

Mr Sample
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Unsolicited Off-Market Offer from Drillsearch (Central) Pty Limited

Dear Fellow Shareholder

As you may be aware, on 4 October 2012, Drillsearch (Central) Pty Limited announced its intention to acquire all the shares of Acer Energy Limited ("Acer Energy") by way of an unsolicited Off-Market Offer ("Drillsearch Offer"). Your Board, with the best interests of shareholders as its objective, is reviewing the Drillsearch Offer and is seeking clarification of the terms where appropriate.

As advised previously, I urge you to **take no action** until such time as your Board has formed a view as to whether the Drillsearch Offer is in the best interests of shareholders and advises you accordingly. We have engaged advisors and are undertaking this task with urgency.

At the time of writing, the Drillsearch Offer document is yet to be despatched to shareholders and the offer period is yet to commence. When made, the Drillsearch Offer must remain open for at least 1 month.

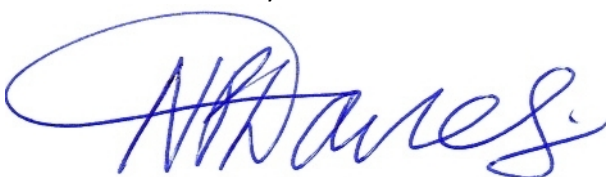
Following despatch of the Drillsearch Offer document we shall respond and provide you with our target's statement that will provide the recommendation of each member of the Acer Energy Board as to whether to accept or not accept the Drillsearch Offer, and giving you reasons for that recommendation.

The Acer Energy Board also notes the recent substantial shareholder's notice lodged by Senex Energy Limited ("Senex") on 8 October 2012 advising that Senex has acquired a 6.42% shareholding in Acer Energy subsequent to the announcement of the Drillsearch Offer. Senex are a joint venture party with Acer Energy in two tenements in the Cooper Basin Western Oil Flank, namely PEL 182 and PEL 100.

Until such time as you have had a chance to review the target's statement the Acer Energy Board recommends you **take no action**.

I look forward to providing you further information in the near future.

Yours sincerely



Nick Davies
Chairman