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Grant Thornton Australia Limited

ABN 41 127 556 389 ACN 127 556 389

To Market Announcements

From A S R Hewitt

Company Australian Securities
Exchange

On behalf of

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Subject **AED OIL LIMITED**
ACN 110 393 292
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

PRIVATE AND CONFIDENTIAL

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29 August 2014

Dear Sir/Madam

Please find enclosed for immediate release to the market the following:

- June 2014 Quarterly Activities Report

Yours faithfully

Andrew Hewitt
Joint and Several Deed Administrator

AED Oil Limited (Subject to Deed of Company Arrangement)

Quarterly Activities Report

Quarter ending 30 June 2014

ASX Code: AED

REVIEW OF QUARTERLY ACTIVITIES AND SIGNIFICANT EVENTS

As a result of AED being placed in Voluntary Administration on 12 August 2011, the key undertakings of AED during the quarter related to the continuation of Administration activities.

Administration and Receivership

At a meeting of creditors held on 8 November 2012, it was proposed that AED execute a Deed of Company Arrangement ("DOCA"). The proposal was put forward by ARF Amber Pte Ltd ("ARF"), AED's largest creditor. The creditors of the Company resolved (among other things) that the DOCA should be executed.

On 29 June 2013, ARF indicated they would provide a proposal to the Deed Administrators to vary the terms and conditions of the DOCA (the "Amended DOCA"). This proposal was provided to the Deed Administrators on the 26 November 2013 and was put to Creditors for their consideration and accepted at a meeting convened on 11 December 2013. On the 21 February 2014, the Amended DOCA was formally executed. The full terms of the Amended DOCA are available on the Deed Administrator, Grant Thornton's website (www.grantthornton.com.au) and will be included in the Annual Report for the Company, 30 June 2014.

The key activities to be undertaken by the Company under the terms of the DOCA include:

- Ongoing preparation of accounts and financial reports;
- Work with Sinopec as JV partner on asset licensing issues; and
- Progress the preparation of a possible plan of development for the Joint Venture assets.

SUBSEQUENT EVENTS TO JUNE 2014 QUARTER END

Puffin Oil Field Tenement Update

Sinopec Oil and Gas Australia (SOGA), the operator of the Puffin Oil Field joint venture has completed an extensive evaluation of the exploration permit AC/P 22. SOGA have recommended to AED Oil and its Deed Administrators that in the absence of identifiable robust exploration targets likely to produce economic outcomes, that AC/P 22 be surrendered. Accordingly the Joint Venture Management Committee, the Board of AED Oil and its Deed Administrators have resolved to support this recommendation.

On the 16th of July AED Oil was informed by SOGA via the National Offshore Petroleum Titles Administrator (NOPTA) that the Surrender Application for the permit AC/P 22 was accepted effective on the day which a notice of the surrender is published in the Australian Government Gazette.

The key work commitment that is removed as a result of this relinquishment is the drilling of a well. This would have been required to be drilled prior to the end of the license term, 8 May 2015.

AED Oil Limited (Subject to Deed of Company Arrangement)

Quarterly Activities Report

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AC/L 6, the production permit, remains current and ongoing discussions with regulators are in progress regarding a future work program. Oil production from the Puffin Oil Field ceased in May 2009 and as such a review of the terms of the license is required within 5 years of this event.

Major cash outflows for the quarter therefore comprised:

- Operating – \$520,940 was paid in relation to receivers and administrator's fees, legal and corporate costs.
- Investing – \$454,624
- Financing – \$649,979

At 30 June 2014, AED had a cash balance of A\$2,441.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AED Oil Limited (Subject to Deed of Company Arrangement)

ABN

61 110 393 292

Quarter ended ("current quarter")

June 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	436	425
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	(3)
1.6	Income taxes refund	-	829
1.7	Other (provide details if material) – GST Refund	95	198
Net Operating Cash Flows		531	1,449
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) – Payment for guarantee	(455)	(640)
Net investing cash flows		(455)	(640)
1.13	Total operating and investing cash flows (carried forward)	76	809

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	76	809
	Cash flows related to financing activities		
1.14	Net Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) – Indemnifying Creditor	(650)	(956)
	Net financing cash flows	(650)	(956)
	Net increase (decrease) in cash held	(574)	(147)
1.20	Cash at beginning of quarter/year to date	576	149
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2	2

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	5
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	(250)
Total	(250)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2	576
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2	576

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3 *Ordinary securities	239,779,144	239,779,144	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5 *Convertible debt securities <i>(description)</i>	Issued Amount USD	First Redeemable	Maturity Date	Conversion Price AUD\$
<i>As a result of AED being placed in Voluntary Administration all convertible loan securities triggered an event of default and became immediately due and repayable and have now been treated as trade payables.</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	<i>Number</i>		<i>Exercise price</i>	<i>Expiry date</i>
<i>As a result of AED being placed in Voluntary Administration all outstanding options have lapsed.</i>				
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: June 2014
(Director)

Print name: Tim Baldwin

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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