



QUARTERLY ACTIVITIES REPORT JUNE 2014

31 JULY 2014

CORPORATE OVERVIEW

As announced last quarter, Advance Energy Limited (the Company), soon to be renamed Antilles Oil and Gas NL, had agreed to a recapitalisation proposal and a total restructuring of the Board. These changes have now all been implemented. These changes were proposed to clear all debts of the Company and enable the Company to have sufficient working capital to pursue its US based oil and gas interests as well as other new opportunities.

The material terms of the recapitalisation were as follows:

- a) The Company issued secured convertible notes with a face value of \$1.5m to various non-related parties in two tranches, which was managed by CPS Capital Group;
- b) There were various changes to the Board, as detailed below
- c) Subject to shareholder approval (which was obtained at General Meeting held 16th June 2014) the Company:
 - i. Converted all the existing listed convertible notes (AVDG) into shares and options;
 - ii. Converted the majority of creditor payments to shares and options;
 - iii. Issued shares upon the conversion of the secured convertible notes, as referred to in paragraph a). above
 - iv. Consolidated its existing securities on a 60 to 1 basis, which occurred on 19th June 2014;
 - v. Change the name of the Company to Antilles Oil and Gas NL

The shares and options listed in i. to iii. above were issued on 11th July 2014.

Board and Corporate Changes

On 14th July 2014, the Company was pleased to announce the appointment of Mr David Ormerod as Managing Director and Mr Jack Hamilton as Non-Executive Chairman. The appointment of these two highly respected and experienced professionals in the oil and gas industry, will assist the Company as they strive to develop their current US interests and look for other opportunities.

Previous to the above board appointments, Damian Black, Ranko Matic and Michael Davy were also appointed as directors, with Michael Davy resigning a short time after. Mr Black



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brings extensive experience in corporate finance, specifically in the resources and small cap segment and Mr Matic bring extensive experience in financial management and corporate governance.

Long term directors, Anthony Short, Igor Soshynsky and Kip Plankinton also resigned.

During the quarter Automic Registry Services became responsible for the maintenance of the Company's Share Registry.

Subsequent to the quarter end, Ranko Matic was appointed as the new Company Secretary replacing David Ballantyne and Roland Berzins. At this time the Registered Office for Advance Energy also changed to 1/12 Kings Park Road, West Perth, WA.

Shareholders also approved the change in company name to Antilles Oil and Gas NL and change in company status from "Ltd" to "NL". The name change will be official once it has been approved by ASIC after a 30-day gazette period, which is expected on 1 August 2014.

THE FUTURE

The Company has a 50% Working Interest in the Motherlode III Project in the Permian Basin, Texas and with the Company's access to experienced operators and contractors in the US there is opportunity for further development. There are no legacy work programs or financial commitments to complete on this project and the Company is currently completing a full technical/strategic review of the existing assets. There is potential to build a broader acreage position and partner to drill a test of the highly productive Wolfcamp unconventional oil play.

The Company had also previously entered into an agreement with Clearview Oil and Gas Pty Ltd, whereby Clearview will undertake a strategic review of the Company's assets, assist with the recapitalisation of the Company and source new opportunities and management for Advance Energy.

On 25th July 2014, the Company also announced it had entered into a Memorandum of Understanding (MOU) with Oslo listed oil and gas service company, AGR. This MOU provides for Advance Energy and AGR to work co-operatively in well planning, design and execution for the Company and provide drilling capability to the Company, which is unique in the small cap sector.

David Ormerod
Managing Director