

# Artist & Entertainment Group Limited

ABN 67 097 771 581

Level 2 Hudson House 131 Macquarie Street Sydney NSW 2000

GPO Box 3723 Sydney NSW 2001

Phone: +61 2 9258 9900

Fax: +61 2 9247 6225

## ANNOUNCEMENT

(ASX:AEM)

Wednesday, 3 December 2014

### 2014 AGM Chair's Address

AEM has been engaged in a lengthy transition of the Company's activities into the oil and gas sector during a very difficult period in the economic cycle. However, the Company is now progressing to finality with its acquisition of CEP (Centre Petroleum Energy).

CEP has a Joint Venture arrangement with PT Perusda Benuo Taka (Perusda), an entity of the East Kalimantan Regency Government. Originally approved as a Production Service Agreement with Perusda, it was re-granted in the form of an Extended and Amended Co-operation Agreement. Hence, further approval from the restructured Indonesian Oil & Gas Authority, SKK Migas, was required to assign the Co-operation Agreement to the JV Company in which CEP will own a significant economic interest in the Wailawi Project.

This assignment process has taken much longer than anticipated given the changing political landscape over the last 9 months including but not limited to:

- The Provincial Indonesian Elections and change of Local Government
- The subsequent changes to the Board of Perusda
- The National Indonesian Elections and change of Government
- The subsequent re-structure and re-organisation of SKK Migas
- The issue of new regulations by SKK Migas which has required the preparation and lodgement of additional information and documentation with SKK Migas to obtain the necessary SKK Migas approval prior to the Company's acquisition of an interest in the Wailawi Project.

All requests by SKK Migas for amended and additional documents in relation to the assignment to CEP and ultimately AEM have been complied with including what AEM understands to be the final requests of the 5<sup>th</sup> and 21<sup>st</sup> November 2014.

The passing of the special resolution to change the name of the Company to "Enhanced Oil & Gas Recovery Limited" would conceptually assist the finalisation of this process.

As I understand it, SKK Migas has recommended the Director General to approve the overall assignment to the Joint Venture Company and obtain Ministerial endorsement.

Upon receipt of the endorsed assignment the Company will immediately move to seek shareholders' approval to complete the acquisition of CEP. The Company will forthwith release a timetable to complete the proposed prospectus, capital raising and re-comply with chapters 1 & 2 of the ASX Listing Rules.