

AED Oil Limited

Quarterly Activities Report



September 2009



ACN 110 393 292



Dear Shareholders and Prospective Investors,

Having recently joined as Managing Director of AED Oil, I would like to take this opportunity to briefly introduce myself and to express my vision for the Company. My involvement at a senior level with a diversity of large projects and assets around the world, including the Timor Sea and Western Australia, has given me firsthand experience of the various challenges companies face with project and asset development. It is my observation that AED Oil has latent value and highly prospective hydrocarbon assets, which by methodical analysis and careful planning will, in time, realise their full potential.

Today we are releasing the attached September Quarterly Report which takes the first step for some time to articulate the way forward for the Company. Certainly, the past few months have involved a period of consolidation and stabilisation and I am now pleased that there is a sound platform for the Company to move forward.

This quarter the Company has been working on new development plans for the Puffin and Talbot Fields, on Reserves, Resources and the exploration potential in the Puffin Permit area, as well as significantly reducing operating costs and successfully restructuring the balance sheet. In addition, AED Oil has been reviewing new opportunities within the Asia Pacific region and is making very good progress with this work.

We look forward to continuing to work with our supporting Joint Venture Partner, East Puffin Pty Limited (a wholly owned subsidiary of the Sinopec Group) and with other key stakeholders in implementing our revised corporate plans and restoring shareholder value.

I look forward to meeting you at the AGM on 18 November 2009.




Pedro De Souza
Managing Director

ANNOUNCEMENT TO ASX


Quarterly Report for Quarter Ended 30 September 2009

AED Oil Limited (**AED** or **Company**) is pleased to present its September 2009 Quarterly Report. During the quarter the Company has further developed its strategic and business plan, as outlined in the previous Quarterly Report. The key steps of the Business Growth Strategic Plan can be summarized as follows;




Plan for Renewed Development at the Puffin Field

-  Preliminary assessment of Reserves and Resources and exploration potential
-  Preparation of alternative field development plan for the Puffin Field based on these Reserves
-  Assessment of exciting leads and prospects on Exploration Licence


Business Development

-  Review and assessment of business opportunities within the Asia Pacific region

Stabilise and Restructure

-  Restructure of Convertible Notes
-  Conservation of Cash
-  Progression in the resolution of contractual disputes

Marketing

-  Ongoing articulation of the AED business growth strategy

The September Quarterly Report will provide an update on the advancement of these key steps

Introduction and Summary

The last 12 months has presented a number of issues for the Company, both operational and from general global economic conditions. The Company has carefully worked its way through these issues and methodically worked on plans to take the Company in new directions and to rebuild shareholder value.

As at 30 September 2009, the Company has a cash balance of approximately \$62 million. In addition, the Company is expecting to shortly receive approximately \$36 million representing a cash refund from Nexus Energy Ltd. The resultant cash equivalent value of approximately \$98 million represents a net cash backing per share of approximately \$0.59 per share. The cash equivalent is higher than the share price of \$0.565 (as at 29 October 2009). The Company has been methodical and cautious in the development and implementation of its new strategies to realise the value of the Reserves, Resources and exploration potential contained within the Puffin and Talbot Permits.

Preliminary Field Development Plan and Reserves

The Company has reviewed the large amount of data obtained from the drilling of 19 wells within the Puffin Permits. The 8 wells drilled by AED or by the AED/East Puffin Pty Ltd (EPPL) Joint Venture have all intersected reservoirs containing hydrocarbons in various thicknesses. The general conclusions reached from the review of the drilling data and the production generated from Puffin-7 and Puffin-8 is that there are likely to be more segregated oil pools than previously modeled. The successful exploitation of the Puffin Field will be dependent upon developing solutions that provide both flexibility and low cost. A number of development solutions are under consideration. The Preliminary Field Development Plan outlined in this report is considered a cost effective alternative to a Floating Production Storage and Offtake (FPSO) development, and both strategies will be assessed on an economic basis. The Company does expect refinements and changes to the Preliminary Development Plan outlined in this report. Alternatives presently being worked up by the Joint Venture will progressively be evaluated. The Preliminary Field Development Plan is important in the context of deriving the quantum of economical Recoverable reserves.

During the quarter, the Company commissioned an independent consultant to assist with the appraisal of Puffin and Talbot Reserves. The Company has internally reviewed this work and has prepared a revised schedule of crude oil Reserves recoverable via the Preliminary Field Development Plan. Reserves (100%) detailed in the report can be summarised as follows:

| P90 MMbbl | P50 MMbbl | P10 MMbbl |
|-----------|-----------|-----------|
| 13.20 | 28.13 | 53.60 |

The previous field development for Puffin-7 and Puffin-8 was based on the utilization of an FPSO vessel operating with mooring systems, subsea trees, flowlines and other infrastructure. Development and installation costs associated with such a development may not provide the flexibility required for oil extraction from the various oil pools located on the Puffin and Talbot Fields nor provide acceptable economics. The Company has therefore sought alternative solutions.

The Company has, together with a team of consulting engineers, reviewed a MOPSU (Mobile Offshore, Production and Storage Unit) as part of a possible field development plan.

Both AED and EEPL are now well positioned to undertake detailed feasibility studies on potential development plans and to continue its review of reserves and Exploration targets.

Geology, Reserves and Resources and Exploration Potential

The Puffin and Talbot Fields are situated in the Timor Sea, approximately 200km off the coast of Western Australia. The fields are well located in the southern part of the Vulcan Sub-Basin which is a proven oil and gas province. Oil and gas discoveries have been made in Late Triassic, Early-Middle Jurassic and Late Jurassic, and Late Cretaceous sediments. The Company holds a 40% interest in the Puffin Oil Field – AC/P22, AC/L6 and the Talbot Field – AC/RL1 with water depths ranging between 70-100 m.

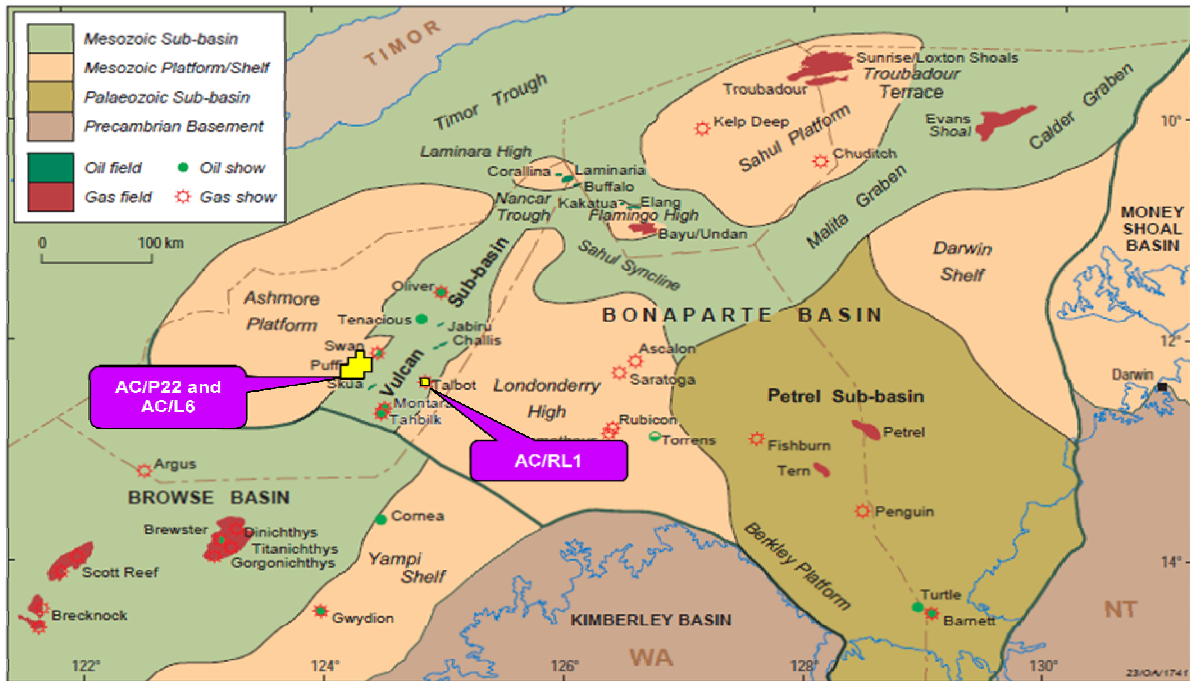


Figure 1 – Bonaparte Basin – Structural Element

The Puffin Formation is an important exploration target in the Vulcan Sub-Basin. The formation contains excellent reservoir quality sands with high porosities and permeabilities (i.e. UK1a and LK1a sands) and varies in thickness, but is consistent over AC/P22. The Puffin Shales forms a regionally extensive seal to the Puffin sands.

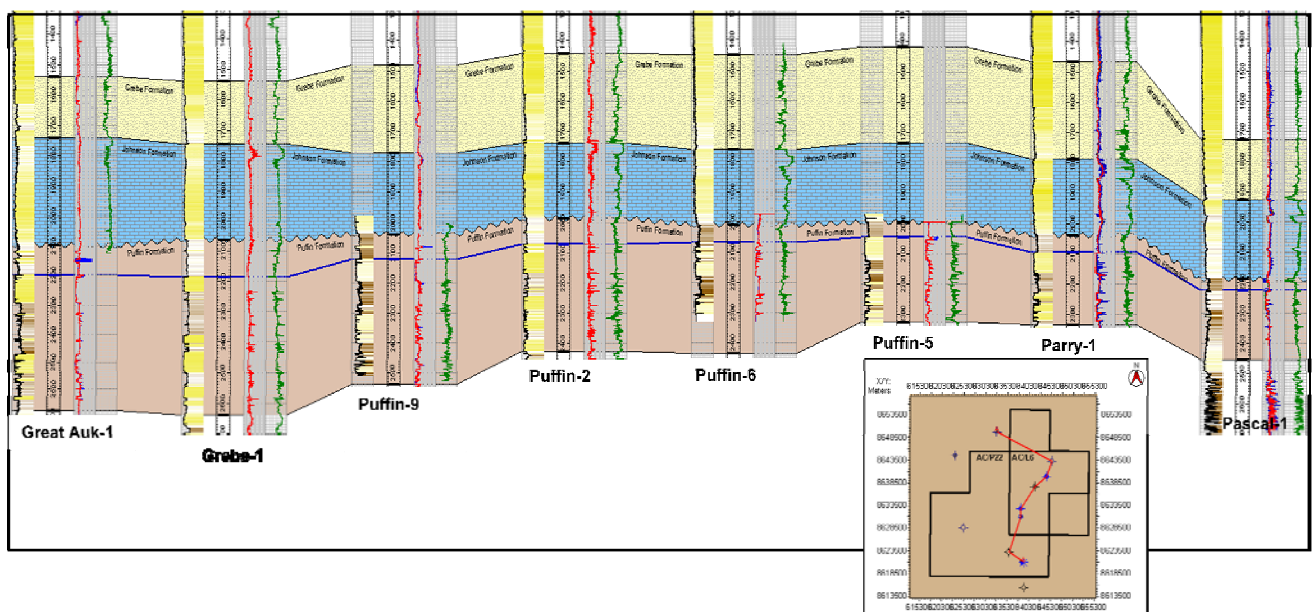


Figure 2 – Regional correlation of Grebe, Johnson and Puffin Formations

The Puffin Field comprises a number of discrete areas:

1. North East area comprises NE1 (shut in), NE2 (indicated oil) and NE3 (indicated leads)
2. South West area comprises Puffin-2, Puffin-9, Puffin-10, Puffin-11 oil discoveries
3. South area comprise the Great Auk-1 gas/condensate discovery
4. Prion Region in Exploration permit on South West Puffin Flank

Development of production facilities to date have only taken place in the NE1 area.

The production permit AC/L6 covers approximately 252 square kilometres. Drilling has identified oil throughout the region and Seismic interpretations have identified potential additional Leads and Prospects. Very few wells drilled in the Puffin Permit have not intersected oil which could be considered no more than a production test. It should also be noted that production to date has been limited to a relatively small area in the North East region. One of the objectives of the present field development planning process is to engineer cost effective solutions which will allow for the recovery of these oil pools.

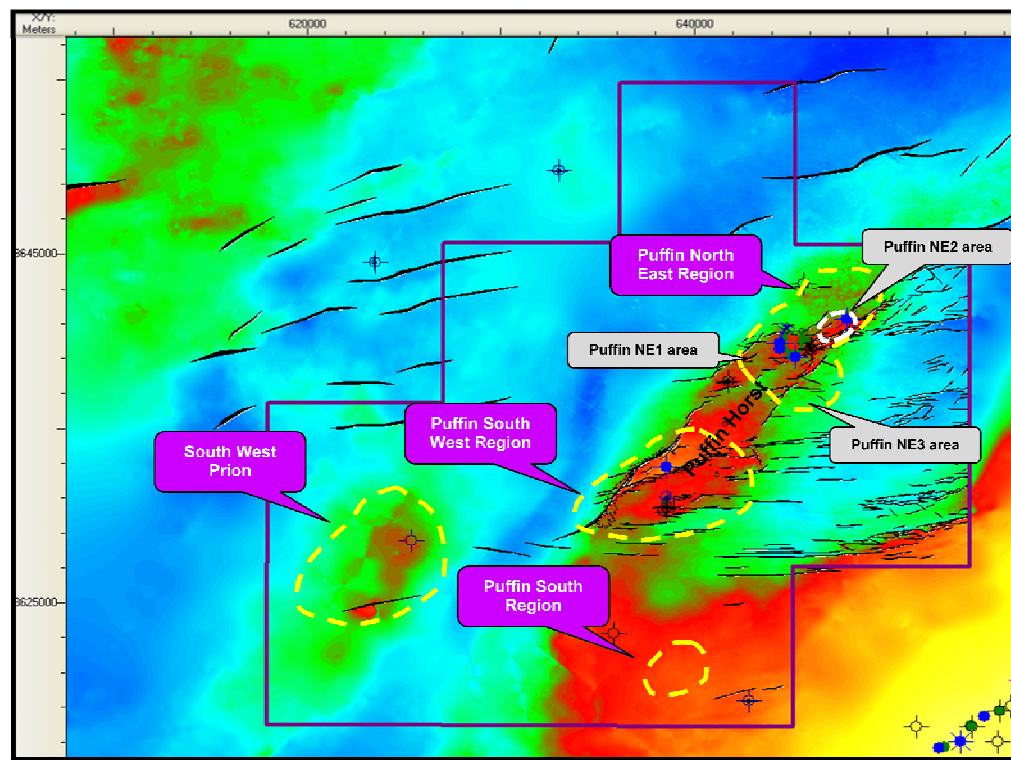


Figure 3 – Puffin Field Locations

Puffin North East

The North East region comprises NE1, NE2 and NE3 areas:

1. NE1 defined by discoveries in Puffin-1 which drilled in 1972 and was the first oil discovered in the Timor Sea, and Puffin-5 drilled in 2000 which intersected an 11.0m column of oil. This well was flow tested with a derived flow rate of approximately 25,000 bopd. Production wells Puffin-7 and Puffin-8 were drilled in 2006/7 and came into production in October 2007. Puffin-12 was drilled in November 2008 and identified a thin column of live oil.
2. NE2 defined by discoveries in Puffin-3, was drilled in 1974 with oil identified via the formation interval test with the LK1a sands. Puffin-4 drilled in 1988 which identified thin columns of live oil. This region includes the yet undrilled Protea and updip Parry leads.
3. NE3 which includes the Pryde lead has not yet been drilled.

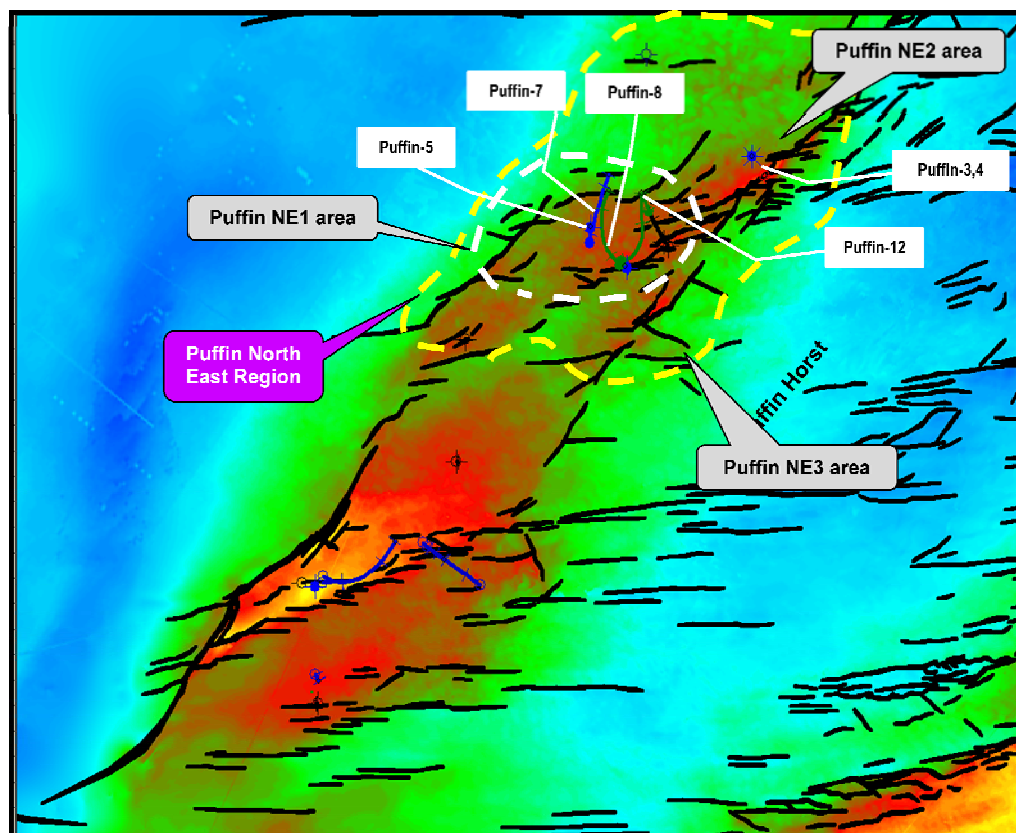


Figure 4 – Puffin Horst North East Region

Puffin South West Region

South West area comprises three oil pools:

- Puffin-2, drilled in 1974 was one of the early oil discoveries in the Timor Sea. The well encountered a 6m intersection of oil in the UK1a sands. The well was flow tested at approximately 4,600 bopd.
- Puffin-9 was the first well drilled by AED in April 2006. The well discovered a 6.0m column of oil in the UK1a sands and a 2.0m column in the LK1a sands. The drilling of Puffin-13 confirmed the extension of the Reservoirs to at least that location.
- Puffin-11 was drilled by the AED East Puffin Joint Venture in September 2008 and intersected an oil column of approximately 25m.

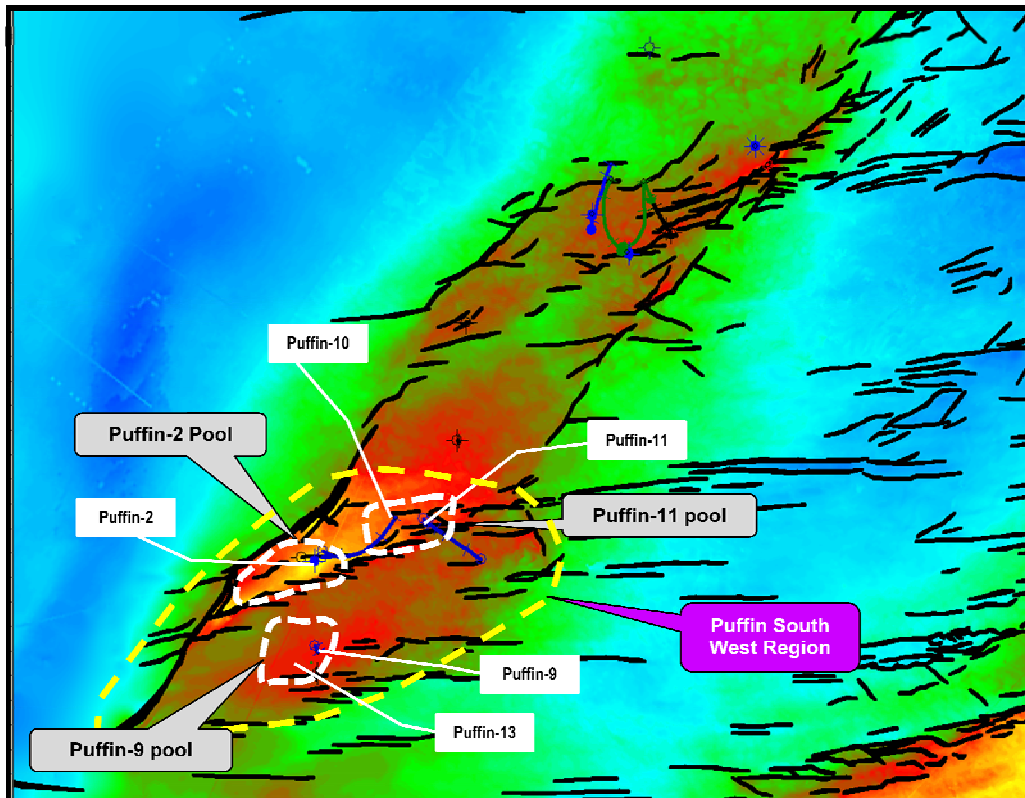


Figure 5 – Puffin Horst South West Region

Talbot Oil Field

The Talbot Oil Field is located in the Bonaparte Basin. The permit covers an area of 83 square kilometres.

- Discovery wells Talbot-1 & Talbot-2 each tested approximately 5,000 bopd of 50° API premium quality crude oil with low sulphur content.
- AED acquired a 100% interest in the Retention Lease AC/RL1, including the Talbot Oil Field, effective July 2007. East Puffin Pty Ltd later acquired a 60% interest in the lease, including the Talbot Oil Field, effective May 2008.
- Expected Talbot Field life – 2-3 years with peak production rate of 16,000 bopd.

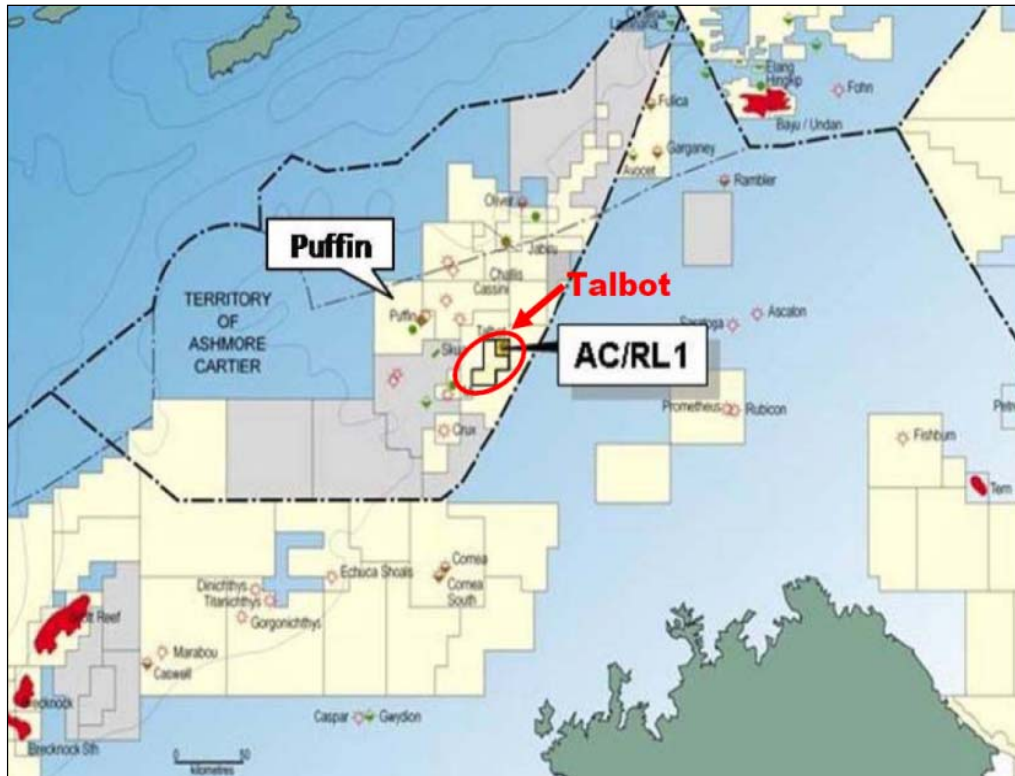


Figure 6 – Location Talbot Oil Field

Reserves

The Company commissioned Stochastic Simulation Limited, a company consulting to AED to prepare a report on Reserves. The Reserves/Resources report below takes into account the recent experience with drilling, production and present interpretations of the field. It should be noted that some oil accumulations previously included as Reserves have now been included in the Leads and Prospects and await further appraisal and potential drilling. Please refer to the following extract:

Recoverable Hydrocarbon Resource October 2009 – Final (Version 1.1)

Summary

This review of the Recoverable Hydrocarbon Resources of the North East and South West Areas of the Puffin Field and the Talbot Field has been prepared at the request of AED Oil Limited. The results of the Resource Assessment are given in the accompanying table which presents the P90, P50 and P10 Recoverable Hydrocarbon Resources. Recoveries are based on a Preliminary Field Development Plan using a self installing steel gravity base production, storage and drilling platform (MOPSU) as proposed by AED. At this time, no independent assessment of project economics has been made.

Remaining Recoverable Hydrocarbon Reserves^a

| Area | P90 MMbbl | P50 MMbbl | P10 MMbbl |
|---|--------------|--------------|--------------|
| Puffin North-East | | | |
| P5/P7 Pool (NE1 – LK sand) ^b | 4.39 | 6.38 | 9.32 |
| P3/P4 Pool (NE2 – LK sand) ^c | 0 | 3.18 | 10.78 |
| NE1 NW extension (LK sand) ^d | 0 | 0 | 4.40 |
| Puffin South-West | | | |
| P11 Pool (LK sand) ^e | 3.25 | 4.45 | 6.77 |
| P11 SW extension (LK sand) ^f | 0 | 1.01 | 2.33 |
| P2 Pool (UK sand) ^g | 0.82 | 2.90 | 5.14 |
| P9/P13 Pool (UK sand) ^h | 0.62 | 2.00 | 2.26 |
| P9/P13 Pool (LK sand) ⁱ | 0.20 | 1.01 | 1.60 |
| Talbot | | | |
| (Challis formation) ^j | 3.92 | 7.20 | 11.00 |
| TOTAL | | | |
| (100% interest) | 13.20 | 28.13 | 53.60 |
| AED (40% Interest) | 5.28 | 11.25 | 21.44 |

Notes:

- These recoverable hydrocarbon quantities are reported as reserves (rather than contingent resources) based upon near-term implementation of the preliminary Field Development Plan currently proposed by AED¹ subject to forward oil prices used in the economic analysis carried out by AED remaining valid.
- Independent evaluation of reserves of the Puffin NE1 (P5/P7 pool) was carried out by the Energy Resources Institute². These are remaining reserves and exclude the 2.246 MMbbl oil recovered to field shut in on 8 May 2009.

¹AED Oil Limited, Preliminary Field Development Plan, email from J. Fear, 16 October 2009.

²ERI, draft AED Puffin Area Review, 23 October 2009.

- c) Based on AED mapping of June 2007 with middle and high oil-water contact (OWC) ranges from 2060 mss (closure) and 2074 mss (Puffin-4 contact). No reserves are assigned at the P90 level.
- d) Based on AED mapping, December 2007; no reserves are assigned at the P90 and P50 levels. The possible NW extension is contiguous with the P5/P7 pool.
- e) The P90 case is based on an evaluation of reserves carried out by the Energy Resources Institute³. P50 and P10 cases are based on AED mapping, November 2008.
- f) No reserves are assigned at the P90 level. The P50 case is based on an evaluation of reserves carried out by the Energy Resources Institute⁴. The P90 and P10 cases are based on AED mapping, November 2008.
- g) Based on AED mapping of November 2008 with low, middle and high oil-water contact ranges from 2013 mss (possible OWC interpreted in Puffin-10), 2037 mss (OWC at Puffin-11, LK sand) and 2059 mss (common contact with Puffin-9 UK sand).
- h) The P50 case is based on an evaluation of reserves carried out by the Energy Resources Institute⁵. The P90 case range based on EPPL mapping of July 2009, post-drill Puffin-13⁶; and the P10 case based on AED mapping of November 2008, pre-drill Puffin-13.
- i) P90, P50 and P10 recoveries are based on an AED reservoir review⁷; recovery factors are derived from reservoir simulation.

³ERI, *ibid.*

⁴ERI, *ibid.*

⁵ERI, *ibid.*

⁶East Puffin Pty Ltd, *Puffin-13 Review*, TCM – July 2009.

⁷AED Oil Limited, *Talbot Reserves*, email from R. de Boer, July 2007.

1 Declaration

This Expert Report has been prepared by **Dr Andrew Wadsley**, Director and Principal of Stochastic Simulation Limited, a public company incorporated in Australia. The Expert has been retained by AED Oil Limited on a monthly retainer for the purposes of providing expert reservoir engineering advice. A fee will be received for the preparation of this Report and this is not contingent on the outcome or use to which this Report is put. No other benefit will be received by Stochastic Simulation Limited for the preparation of this Report. Dr Wadsley has no pecuniary or other interest which could be regarded as capable of affecting his ability to provide an unbiased opinion in relation to the views expressed in this Report.

2 Qualification

Dr Andrew Wadsley received a Bsc (Hons), University Medal in Mathematics from the Australian National University in 1970, an MSc from the University of Warwick (UK) in 1972, and a PhD (Mathematics) from the University of Warwick (UK) in 1974. He has more than thirty years experience in the petroleum industry—starting as a wellsite petroleum engineer with Shell International in 1975—and has been an independent consultant for over twenty years. Dr Wadsley is also Chairman of Optimiser Pty Ltd, a Perth, Western Australia based Digital Management Company and Director of Exploration and Production (Australia) Pty Ltd. Dr Wadsley is a member of the Society of Petroleum Engineers and the Society for Industrial and Applied Mathematics.



Dr Andrew W. Wadsley
26 October 2009

Oil Migration

As reported in the June 2009 Quarterly Report the Company has continued to develop a revised model for the oil migration within the Puffin Region. The original oil migration model proposed that hydrocarbons migrated to the Puffin Field predominantly from the Swan Graben, located to the east of the Puffin Field. The Company began working on the new oil migration model following the drilling of the Great Auk well, the first well in the Puffin permit to discover gas. The identification of Plover sourced wet gas in the Great Auk well, likely from the Woodbine Graben, has opened up the potential for oil charge in the structures to the west of the Puffin Horst, including SW Prion, Prion and the SE Lucas structures. The review of oil migration is likely to significantly impact the development of the Puffin Field, particularly the prospectivity of the targets such as South West Prion and South East Lucas, both of which offer the potential for significant additional resources in the western area of AC/P22.

Accordingly, the oil migration is an important element in an exploration program. While it is important to understand the nature of a particular structure or reservoir, including fault closures and sealing, it is only when you can determine that oil may be present within the area that it becomes a target. To this extent, the emerging oil migration model opens up the opportunity for new targets. Conclusions from various studies, including geochemical analysis, are summarised below. The various crude oil signatures further enhance the developing oil migration model.

- Charge 1:** Waxy oils sourced from non-marine Early Jurassic Lower Plover Formation
- Charge 2:** Lighter oils with low wax, sourced from marine sediments from the Late Jurassic, Lower Vulcan Formation
- Charge 3:** Wet-gas-derived liquids, with high light-ends and higher maturity
- Charge 4:** Northern source from Aqualon Graben
- Charge 5:** Light oils with marine signature, sourced from Late Jurassic, Lower Vulcan Formation

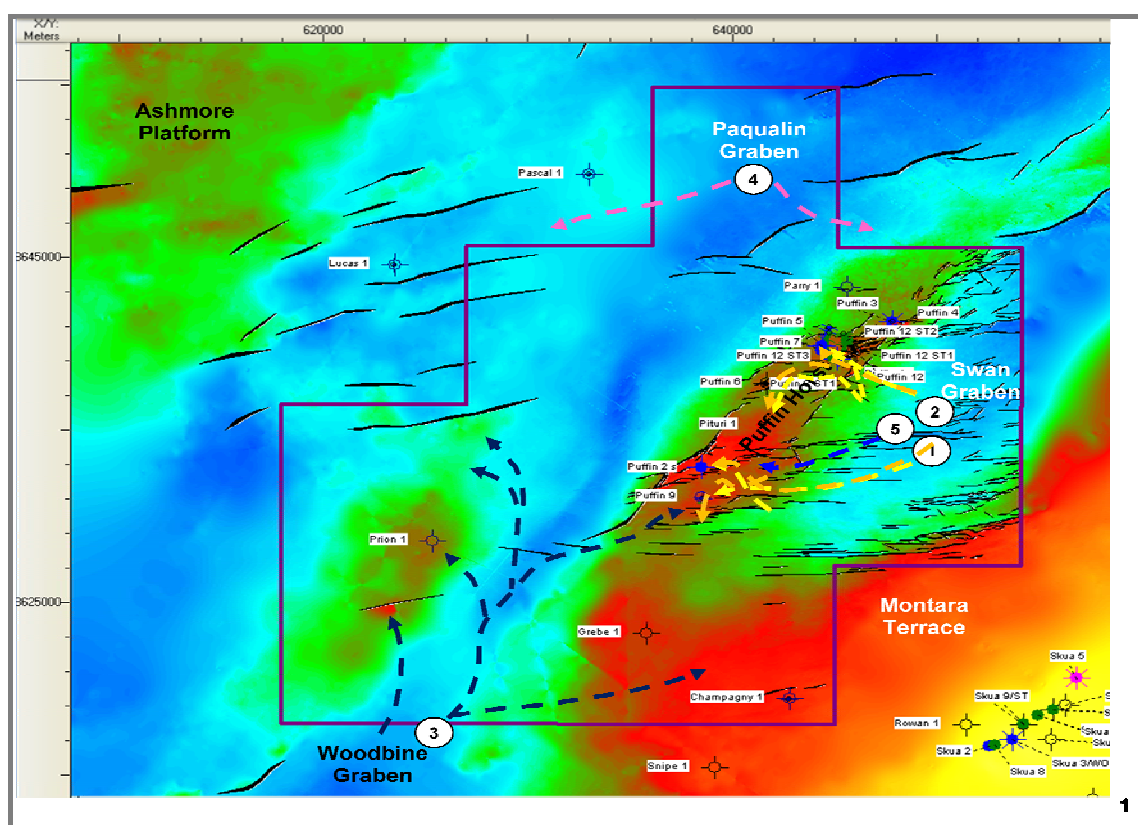


Figure 7 – Hydrocarbon Migration Pathways into AC/P22

Leads and Prospects (AC/L6) Production Licence

In addition to the Reserves and Resources review and the continuing work on the oil migration model, the Company has identified a number of quality Leads and Prospects of approximately 100 MMbbl unrisked OOIP within the main Puffin Horst, which are generally covered by AC/L6 Production Licence, but within AC/P22 Exploration Licence.

PUFFIN Horst Leads and Prospects

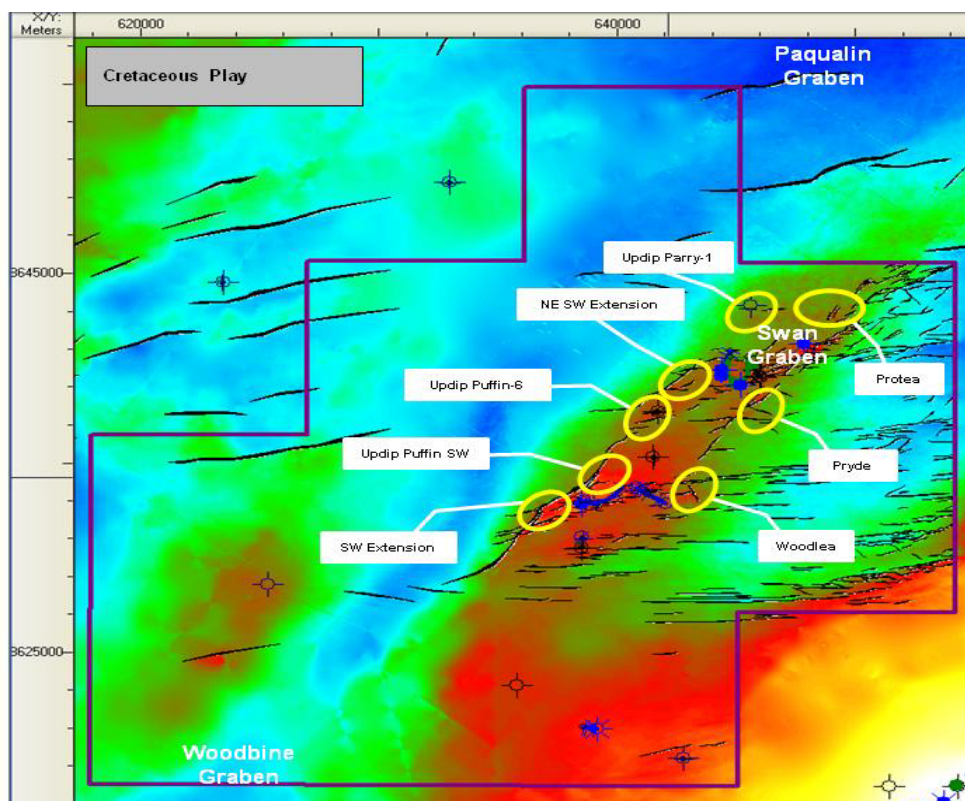


Figure 8 – Leads and Prospects – AC/L6

| | Location | Unrisked OIIP | Category |
|------------------------------|----------|---------------|----------|
| Updip Parry ² | AC/L6 | 6.64 | Lead |
| Protea ³ | AC/L6 | 17.4 | Lead |
| Pryde ³ | AC/L6 | 12.8 | Lead |
| NE SW Extension ³ | AC/L6 | 13.3 | Lead |
| Updip Puffin-6 ³ | AC/L6 | 8.19 | Lead |
| Updip Puffin SW ³ | AC/L6 | 6.3 | Lead |
| SW Extension ³ | AC/L6 | 7.5 | Lead |
| Woodlea ² | AC/L6 | 27 | Lead |
| TOTAL | | 99.13 | |

Table 1 – Undiscovered Resources – AC/L6

As mentioned earlier, discovery of wet gas in the Great Auk well drilled in May 2009, further adds to the scenarios of hydrocarbon migration and greatly enhances exploration opportunities in the Puffin Field. The original migration model proposed that hydrocarbons migrated to the Puffin Field predominately from the Swan Graben. Present modeling contemplates the possibility that three areas provide sources into the Puffin Field:

- ✚ The Swan Graben;
- ✚ The Northern Browse Plain, via the woodbine Graben; and possibly
- ✚ The Paqualin Graben to the North

The confirmation of this scenario could positively impact development potential, particularly the prospectivity of targets such as South West Prion and South East Lucas. Both targets offer the potential for significant additional Resources in the western part of AC/P22 of approximately 600 + MMb OOIP.

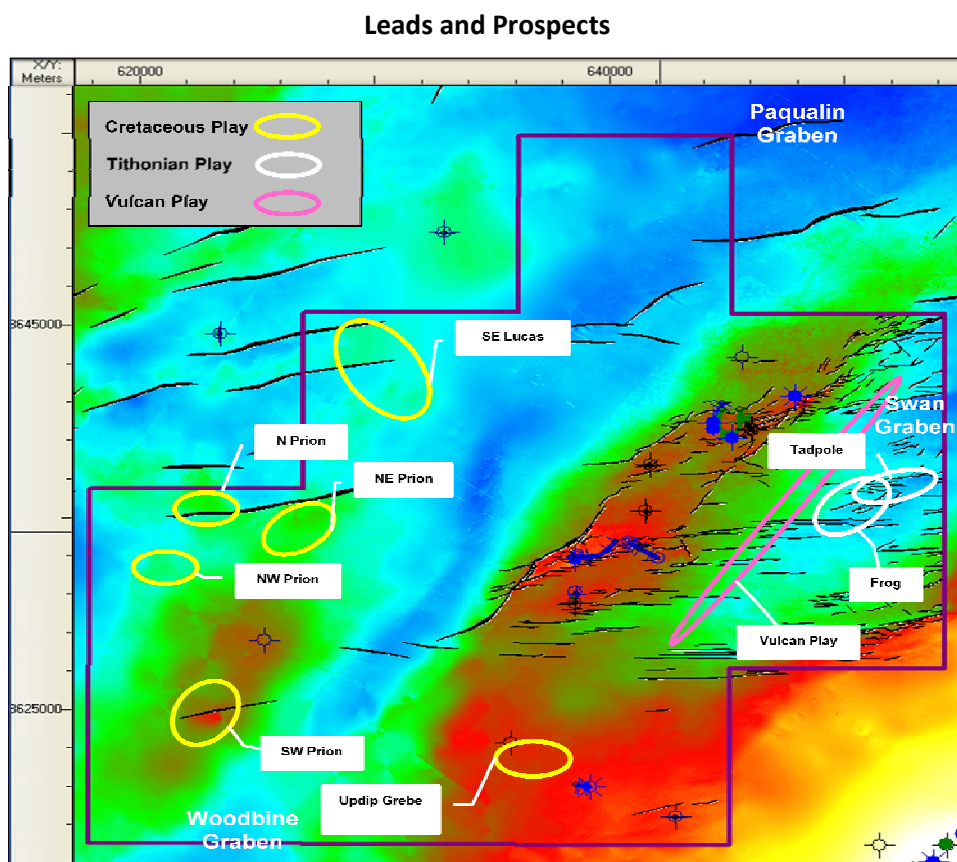


Figure 9 – Leads and Prospects – AC/P22

| | Location | Unrisked OIIP | Category |
|---------------------------|----------|---------------|----------|
| Frog ² | AC/P22 | 73 | Lead |
| Tadpole ² | AC/P22 | 18 | Lead |
| Vulcan Onlap ² | AC/P22 | 100 | Lead |
| SW Prion ³ | AC/P22 | 215 | Lead |
| NW Prion ³ | AC/P22 | 9 | Lead |
| N Prion ³ | AC/P22 | 11 | Lead |
| NE Prion ³ | AC/P22 | 79 | Lead |
| SE Lucas ³ | AC/P22 | 116 | Lead |
| TOTAL | | 621 | |

Table 2 – Undiscovered Resources – AC/P22

Field Development Plan – Options

As referred to previously in this report, the Company has focused on three main aspects of the Puffin Field. Firstly, the delineation of Reserves and Resources, secondly, the most cost effective and achievable method of extracting those Reserves and Resources, and thirdly, the evaluation of the exploration potential within the Puffin Permits. A number of proposals have been considered both collectively and individually by AED and its Joint Venture partner, East Puffin Pty Limited. These alternatives have included an option for a low cost FPSO system, or a mobile Jack-Up rig solution with integrated storage. Following further analysis, clarification of the ultimate selection will be made in due course.

One of the alternatives which has been exposed to considerable pre-feasibility review involves the utilisation of a Mobile Offshore Production and Storage Unit (MOPSU). The purpose of outlining the MOPSU alternative at this time is to clarify the economic recoverability of Reserves. Preliminary economics for this alternative have been completed and support its viability.

A MOPSU is a self installing Jack-Up platform incorporating a steel gravity storage base with drilling and production facilities.

Unique advantages of the MOPSU are:

- Gravity storage base integrated with a drilling facility, production facilities and self-installing Jack-Up topsides.
- Detachable wellhead platform which is assembled offshore using the MOPSU itself.
- Reusable for small or large oil pool recovery.



Figure 12 – Mobile Offshore Production and Storage Unit (MOPSU)

The fundamental features are that the platform:

- Is self-installing, the barge deck provides the necessary buoyancy during towage from site to site.
- Is based on a packaged equipment philosophy which is the most appropriate way to develop Topsides facilities.
- Has a storage capacity of up to 200,000 bbls which is advantageous during weather downtime on the FSO moorings.
- Uses a leased jacking system for installation and is entirely removable, making the environmental impact minimal.
- Can be relocated, making incremental field development or re-use attractive.
- The separate wellhead module and associated platform and base template are conducive to multiple developments in the same field with a single MOPSU.
- Wellhead platform can be made into a remote production platform with a piped link to a central MOPSU.
- A dedicated shuttle tanker will be positioned at the SPM during the initial stages of the field development.
- When the shuttle tanker is away delivering crude to refineries, the MOPSU's mat will be utilised for crude storage.
- A Single Point Mooring system (SPM) is also proposed to permit all-year-round offloading. Drilling of the wells will be done using a modular drilling rig mounted on the MOPSU.
- Modular drill rig can be demobilised after drilling and completions, and remobilised for the next drilling campaign, when required.

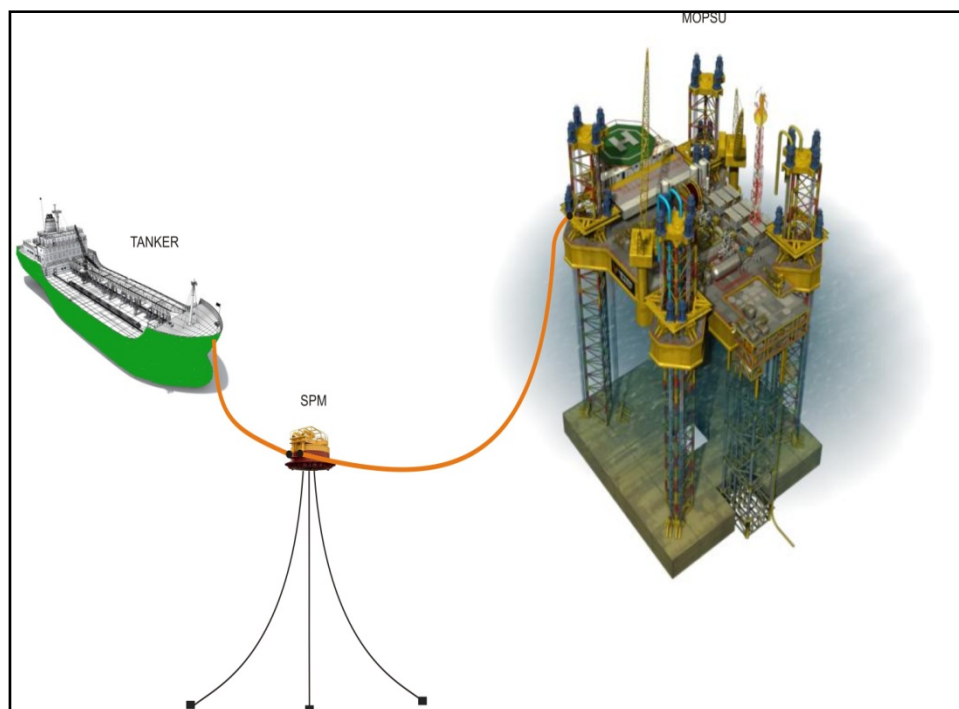


Figure 13 – MOPSU/Shuttle tanker configuration

Corporate

Appointment of Managing Director

During the quarter, the Company appointed Pedro De Souza as Managing Director of AED Oil Limited. Pedro has extensive international experience in the business and technical leadership and management of multibillion dollar oil and gas assets. Pedro's career has spanned many oil and gas developments around the world, from his start in the North Sea with the British National Oil Corporation, through various developments with Britoil Plc, SBM Inc and Bechtel. His extensive career, since 1984, with BHP Petroleum and BHP Billiton Petroleum included developments in the Timor Sea, Western Australia, Bass Strait, Papua New Guinea, Vietnam, Pakistan, ZOCA (the Zone of Cooperation between Australia and Indonesia), Algeria, Trinidad and the US Gulf of Mexico.

Pedro's recent positions with BHP Billiton Petroleum were Vice President Global Engineering and Construction (most recent, based in Houston, Texas), Vice President in charge of the ZOCA and of all New Developments in the Australia/Asia Region, and Vice President Papua New Guinea. Pedro holds a Bachelor of Science (Honours) degree, a Master of Science degree, and is fluent in several languages.

Quarterly Results

Financial Cash Flows

As previously advised, production on the Puffin Field was suspended in May 2009.

The FPSO Charter was terminated effective 4 July 2009.

The net cash out flows in the period predominately related to the payment of creditors for activities in the prior period and the restructure of the Company's convertible notes. Major cash outflows in the Quarter therefore comprised:

- A\$3.7 million was paid in relation to FPSO operating and decommissioning costs;
- Exploration and evaluation capital expenditure of A\$11.4 million related to creditor payments from the prior period's drilling activity in relation to Great-Auk 1 exploration well and Puffin-13 (Puffin SW), and continuing geological and geophysical studies on the review of Reserves and Resources;
- During the Quarter, US\$44.7 million of AED's 6.5% convertible notes were exchanged for a cash payment of A\$26.2 million, the issue of 1,770,275 new AED shares and the issue of a new US\$21.2 million 9% convertible note; and
- Interest costs of A\$2.9M were paid on the convertible notes.

At 30 September 2009, AED had a cash balance of A\$62.0 million. The Company expects repayment of the A\$35 million from Nexus Energy Limited in relation to the Longtom Gas Project shortly.

Restructure of Convertible Notes

During the Quarter, AED restructured its convertible notes via an exchange offer, and as a result US\$44.7 million of the existing convertibles notes have been extinguished in exchange for:

- A cash payment of US\$22.4 million in respect of the principal;
- The issue of 1,770,275 new AED shares, which will rank pari passu with other fully paid ordinary AED shares and will be quoted on the Australian Securities Exchange; and
- The issue of US\$21.2 million new 9% convertible unsecured notes due 10 July 2012. The new convertible notes were issued at par and interest is paid semi-annually and they will mature on 10 July 2012. Noteholders can convert their holdings into shares at a price of \$0.77 per share and from 23 February 2011, noteholders will have the right to require the Company to redeem the notes at its principal amount together with accrued interest.

After cash payments and issue of shares noted above, the maturity profile of the convertible notes on hand is now as follows:

| | Face value (USD) | First redeemable | Due |
|-----------------------------------|------------------|------------------|-----------|
| Existing (6.5%) convertible notes | 27,509,000 | Feb 2010 | Feb 2012 |
| New (9%) convertible notes | 21,217,500 | Feb 2011 | July 2012 |

Termination of the Front Puffin FPSO Vessel

On 4 July 2009, AED announced that the Puffin Joint Venture had previously issued a 'Breach Notice' to the owner of the FPSO in connection with certain material safety, operating and other breaches. Those breaches had not been rectified to the satisfaction of the Puffin Joint Venture by the owner of the FPSO. Moreover, reasonable steps in that regard had not been taken by the owner of the FPSO. The Puffin Joint Venture therefore exercised its rights to terminate the charter contract with the owner of the FPSO.

The Puffin Joint Venture has embarked upon a process of dispute resolution in that regard with the owner of the FPSO and these processes are set for mediation and arbitration under the provisions of the contract.



Trevor Slater
Company Secretary
General Manager, Marketing

Media Contacts

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