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**AED Oil Limited**  
ACN 110 393 292



## ASX Announcement

November 16, 2010

### **Chairman's Address** **AED Oil Limited Annual General Meeting** **Tuesday 16 November, 2010**

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Ladies and Gentlemen,

AED has made some exciting developments in the last twelve months, a period which has seen the company expand its global footprint significantly.

AED is a very different company to that which I presented to you this time last year, and I have great pride and confidence in the steps taken over the last year to position it for growth and success.

I wanted to start off by mentioning the significant steps which AED has taken in the financial year just gone, and also to update you on recent events involving the company.

Most importantly, we have completed the acquisitions of a 50% operating interest in Block L in Brunei, a 100% interest in the Rombebai Contract Area and a 60% working interest in South Madura Contract Area in Indonesia. In addition, we have acquired and are processing new 3D seismic data over the Puffin and Talbot Fields (located in the Timor Sea), and we are also reprocessing previous data. AED now holds a portfolio of quality assets in recognised regions, which, coupled with encouraging drilling results, leaves us well placed to shift our emphasis from exploration to development and production.

AED continues with the development of Block L onshore Brunei, where two exploration wells, Lempuyang - 1 and Lukut - 1, both intersected interpreted hydrocarbons while drilling. We intend to commence a test and appraisal program in the next few weeks. Assuming positive testing results, AED would anticipate first gas from Block L in 2014. While we await testing results, AED is optimistic about the prospect of the development of Block L. In addition to its highly prospective nature, Block L benefits from an onshore location, with lower drilling and development costs, as well as access to significant existing infrastructure within Brunei.

In the short term, AED is considering the redevelopment of the existing Jerudong Oil Field. We believe that the Jerudong Field has the potential to produce up to 1000 barrels of oil per day with very low development costs and will support near term cash flows.

Finally, AED plans to acquire further seismic data for Block L, to assess and prove up potential targets. AED is optimistic regarding the possibilities opened up by Block L and will report to the market regularly on the status of further exploration and development.

Now, I turn to our Indonesian assets. At Rombebai, AED is in discussions with BPMigas regarding the extension of the "production sharing contract" for the area. Following recent re-interpretation of seismic and geological data, AED is targeting a large anticlinal feature with a potential prospective resource of 7 trillion cubic feet of gas. Assuming a successful outcome to the extension discussions, drilling is planned for 2011. As we have reported to the market, AED has appointed Macquarie Capital Advisers to assist in selecting an appropriate farm-in partner for the project, a process which we will reinvigate following successful extension of the production sharing contract for the area.

Still in Indonesia, at South Madura we drilled the Gigir East 1 well quickly, cheaply and without incident. However, no commercial hydrocarbons were identified. We will update the market on our further exploration plans for this area in due course.

Closer to home, we continue to explore our Australian assets with our joint venture partner, SINOPEC. I appreciate that there is a level of disappointment regarding the performance of these assets among shareholders, and I assure you that AED's executives share this disappointment. However, the gathering and interpretation of seismic data continues, and we are optimistic that we will be able to bring some positive news to the market when processing and interpretation of data is complete, which will occur progressively over this quarter and the first half of 2011.

Finally, over the year there have been several corporate developments. We have further restructured our financing arrangements, with the issue of convertible notes with a face value of \$US20m to a subsidiary of the Hong-Kong based Asia Resources Fund.

We also farewell managing director Pedro De Souza. I want to personally thank him for his contribution to AED, and his offer to continue to provide the benefit of his knowledge and experience going forward.

While I am the first to acknowledge - and as your company's major shareholder, suffer from - AED's disappointing share price performance over the past 12 months, we see significant value in our assets and expertise, and our financial position remains strong. I am proud of this company's achievements over the previous 12 months, and I and my team will continue to promote AED's potential and achievements to the financial market to the best of our ability. We look to the future with optimism and confidence.

**END**