

ASX Announcement

ASX Code: AMU

3 March 2011

MARKET UPDATE

Amadeus Energy Limited (ASX: AMU) wishes to update the market in relation to the status of its discussions regarding a potential proposal to acquire the Company.

Since our last announcement two weeks ago, due diligence and negotiations have progressed significantly but remain incomplete. The potential acquirer has invested significant time and money in undertaking due diligence with a view to agreeing a transaction which gains the support of the Amadeus Board.

Despite the substantial progress that has been made, there is no certainty that a final agreement will be reached. Accordingly, Amadeus and its advisers believe it is in the best interests of all shareholders for the Company to remain in voluntary suspension.

The Board appreciates that a prolonged suspension is not desirable but remains of view that suspension is necessary.

A further update will be provided within the next week.

Further information on Amadeus Energy at www.amadeusenergy.com

Amadeus Energy Ltd is an ASX listed energy company that generates value for shareholders by increasing oil and gas production and growing reserves through the acquisition and development of existing long-life on-shore oil and gas fields and through exploration activity.

This is achieved by acquiring properties that have significant development and improvement potential and by investing in a combination of low, medium and high-risk exploration activity.

ASX Listed: **20 March 1997**

As at 2 February 2011

Shares on issue: **300,288,855**
Unlisted options: **~7 million**
Market Cap: **A\$66 million**

Major Shareholders:

Wyllie Group Pty Ltd **9.32%**
National Nominees Ltd **6.57%**
JP Morgan Nominees Aust Ltd **4.30%**

Top 20: 44.72%

www.amadeusenergy.com