

Investor Update – 9 February, 2010

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Investor update on AED Oil's expansion into South East Asia by Pedro De Souza, Managing Director

AED Oil has recently completed its initial expansion into S. E. Asia with the acquisition of Brunei Block L and Indonesian assets, Rombebai and South Madura. These acquisitions are the first step in achieving AED Oil's plans to become a diversified oil and gas company and building a domestic and international portfolio.

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ACN 110 393 292

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Highlights



Portfolio of high quality assets now acquired in Brunei (Block L) and Indonesia (Rombebai and South Madura).



Rombebai, world-class resource potential of multi TCF.



Drilling programs in advanced stage, with 3 wells to be drilled in the next 6 months, two in Brunei and 1 in Indonesia (South Madura).



New 3D seismic survey over the Puffin Field in progress.



On target in our first phase of Transformation to deliver on our Vision, Mission and Business Plan

Snapshot of where we are



Growth and Diversification

Implemented strategy of diversifying into Asia/Pacific Region (Brunei Block L; Indonesia, Rombebai and South Madura).



Puffin and Talbot Fields (Australia)

- No change in Reserves (28 MMbbl on a P50, 100% basis).
- Seismic re-processing completed.
- New seismic acquisition in progress.



Capital Management

Continuing focus on the re-structuring of our Balance Sheet.



People and Resources

- Merging, integrating and consolidating our new people and offices in Brunei and Jakarta.
- Highly motivated, energised and qualified personnel.

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Snapshot of where we are (continued)

- A strong Balance Sheet with healthy cash position.
- Assets located in recognised quality oil provinces.
- Exciting exploration potential.
- Strong management – Technical, Financial and Commercial.
- Growth and diversification into Asia/Pacific.
- A world leading Joint Venture partner (Sinopec).
- A clear investment strategy and future direction.

Corporate Structure

Share Price (5 Feb 10)	A\$0.55
Shares on Issue	165.3m
Market Capitalisation	A\$90.9
Total cash and equivalent	approx. A\$86m
Bank Debt	Nil
Convertible Bonds ¹	US\$27.5m (A\$31.9m) Feb 2010 US\$21.2m (A\$24.6) Feb 2011 – convertible @ \$0.77 per share

¹ US\$0.86/AUD (as at 8 February, 2010)

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Our Expansion into the Asia/Pacific Region

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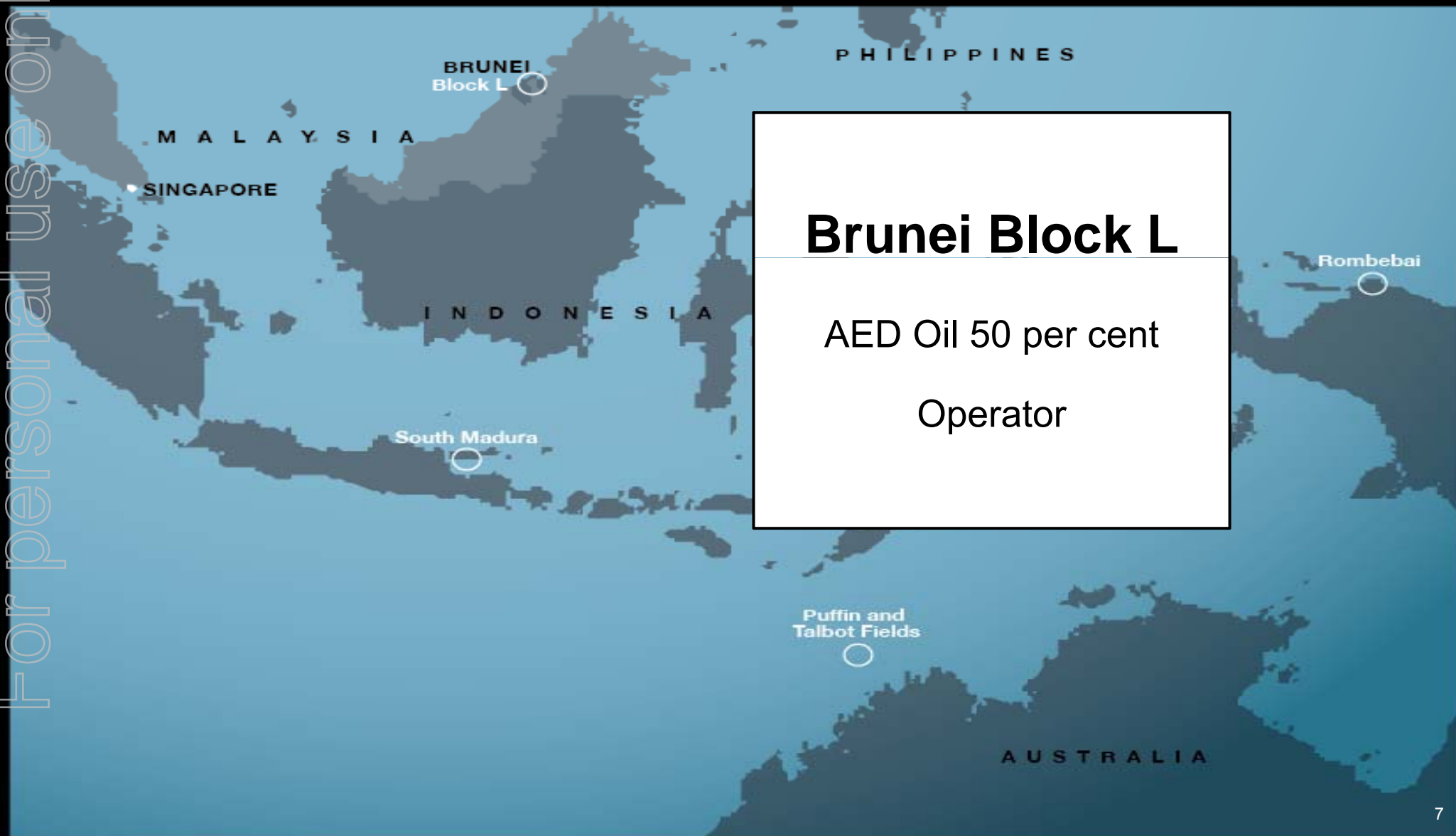


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Brunei Block L

AED Oil 50 per cent
Operator

Brunei Block L



Proven Petroleum System



Close proximity to Oil and Gas Facilities



Modern 3D Seismic



2 wells planned to be drilled in the next 6 months



Multiple Play Types



Multiple Leads and Prospects



Multiple Stacked Reservoirs

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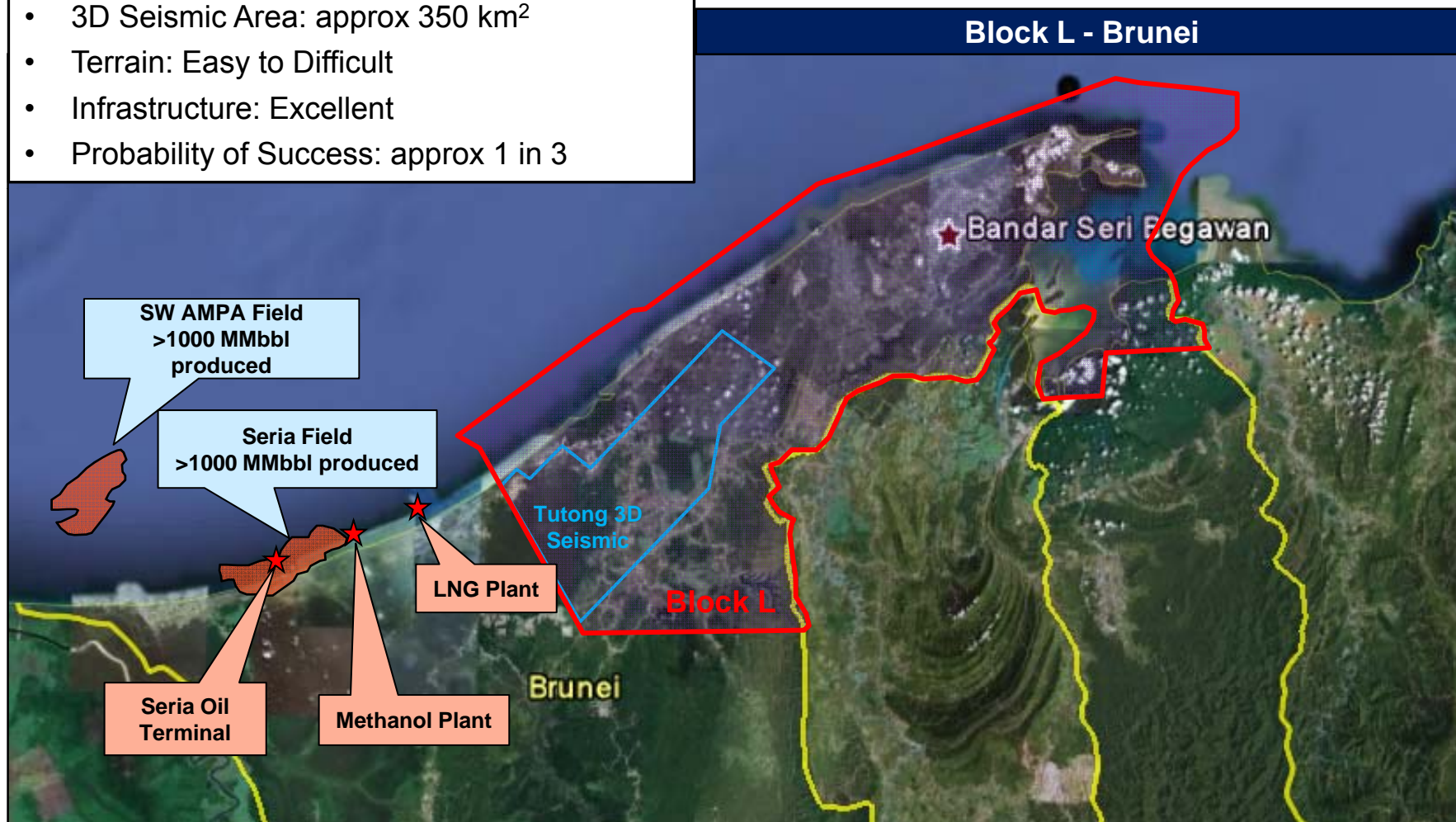
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Brunei Block L

- Onshore and Offshore areas
- Acreage: approx 2254 km²
- 3D Seismic Area: approx 350 km²
- Terrain: Easy to Difficult
- Infrastructure: Excellent
- Probability of Success: approx 1 in 3



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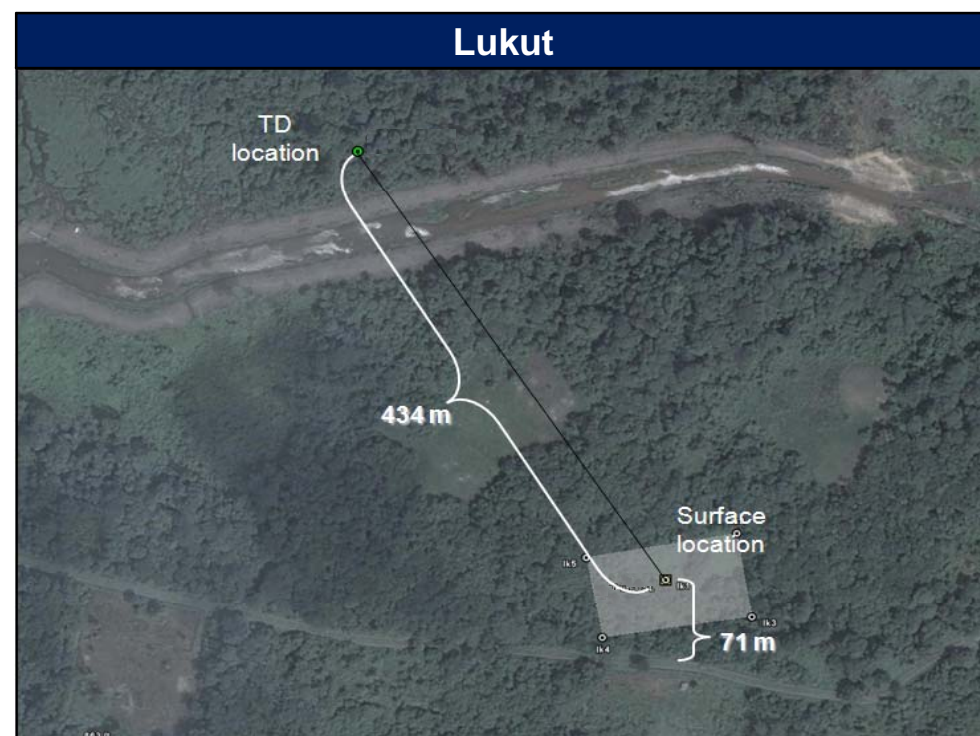
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Brunei Block L

Lukut	
TARGET	Near shore, deltaic packages
TARGET FORMATION	Lower/Upper Belait Formation
TARGET AGE	Middle-Upper Miocene
TRAP	Up/Down thrown fault block
RESERVOIR	Shallow water, coastal plain, lower plain to delta front sandstones
DRILLING:	
Spud date	April, 2010
Total depth	2125 m MD
Drilling time	31 days (excl. testing)
Drilling design	Deviated well
Drilling cost	approx. US\$8-11 million



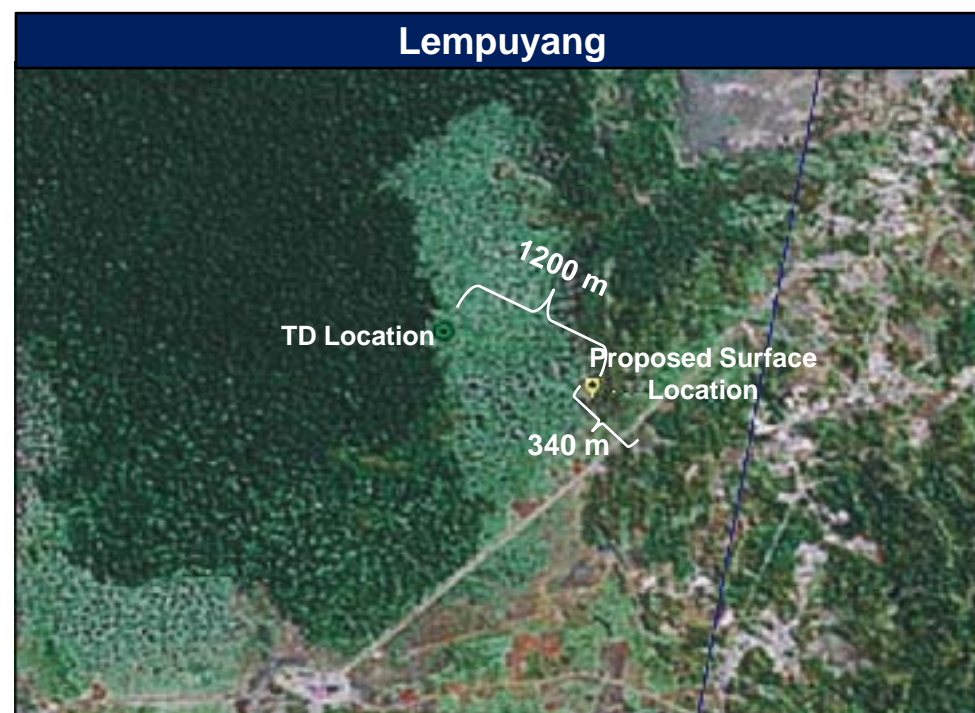
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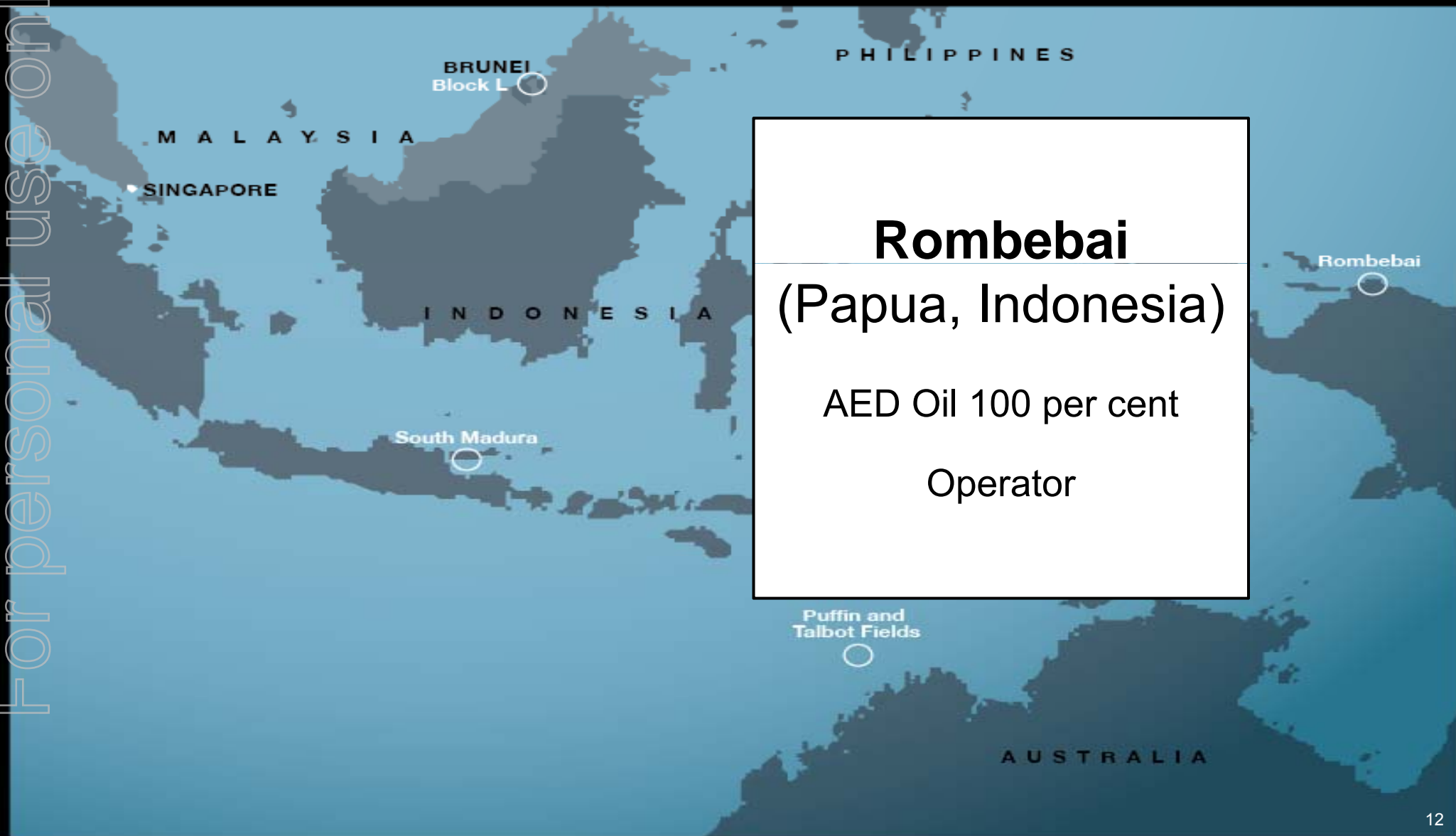
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Brunei Block L

Lempuyang	
TARGET	Top set deltaic packages
TARGET FORMATION	Lower/Upper Belait Formation
TARGET AGE	Middle-Upper Miocene
TRAP	Amplitude supported, 3 way fault closure
RESERVOIR	Coarsening upwards deltaic sandstones
DRILLING:	
Spud date	Q2, 2010
Total depth	3530 m MD
Drilling time	53 days (excl. testing)
Drilling design	Deviated well
Drilling cost	approx. US\$11-14 million



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Rombebai
(Papua, Indonesia)

AED Oil 100 per cent
Operator

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Rombebai



World class resource potential of multi TCF



Large Contract Area of 5,795 sq kms



Frontier exploration, remote location but exciting potential



Numerous oil and gas seeps



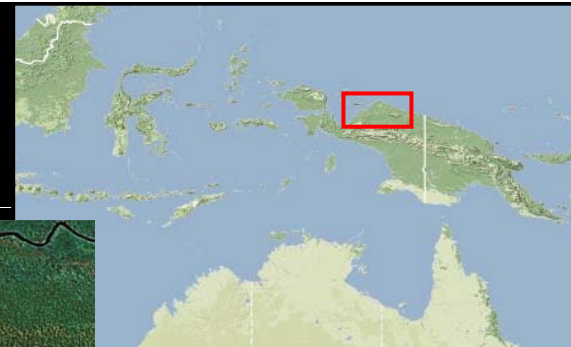
2D Seismic



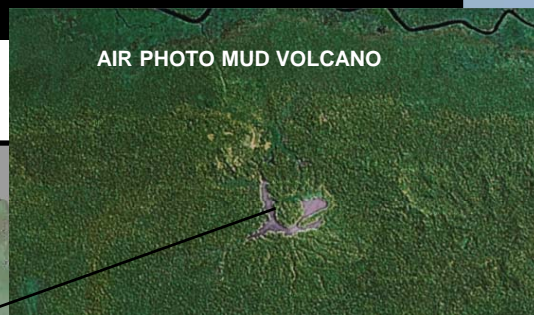
5 exploration wells drilled. Gas shows in 4 wells. Overpressure. 2 wells tested (DST) and flowed gas

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Rombebai – Hydrocarbon Seeps



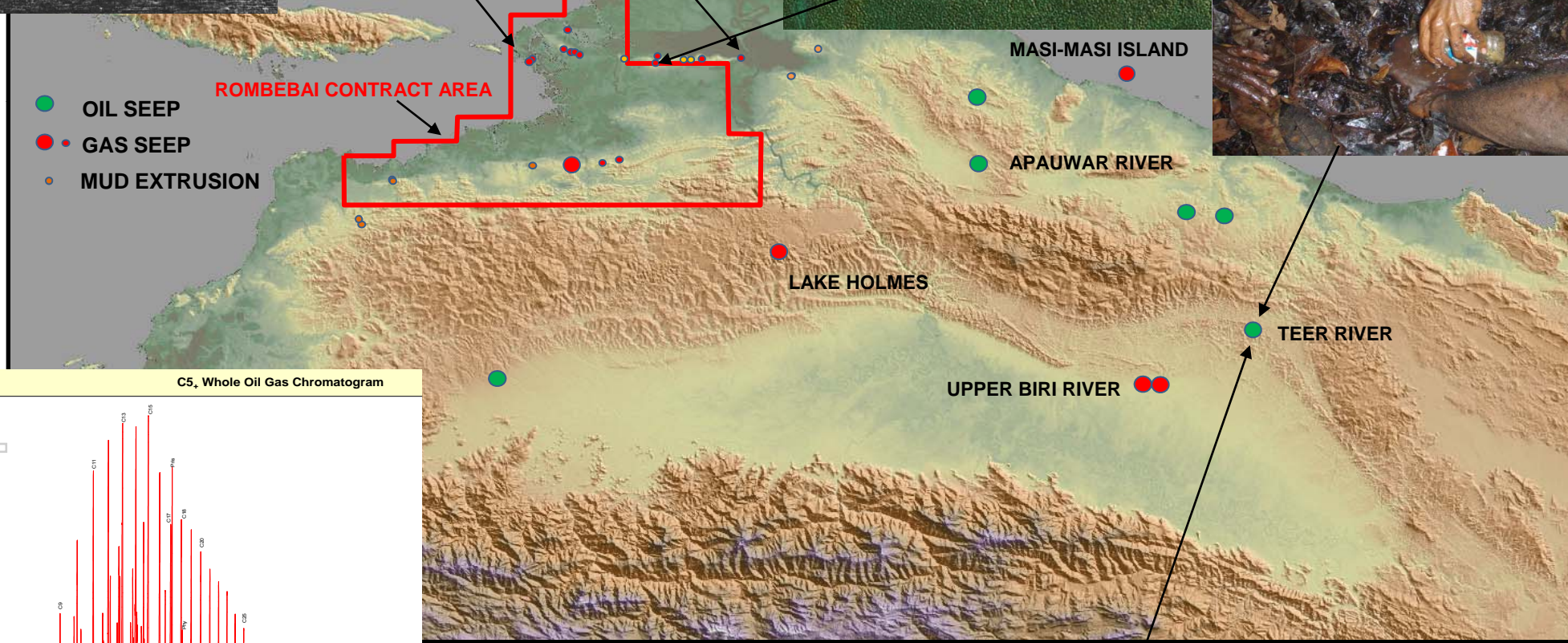
In central Waropen the line of mud volcanoes and gas emanations extends from Geelvink bay to east of Rombebai lake, a distance of over 100 km. The mud volcanoes exude salt water and gas, mainly methane with some admixture of carbon dioxide (0.4 to 13.8%) and an odour of hydrogen sulphide. In one place FRISCH-KNECHT noticed an oil smell. Here a temperature of 42°C was measured.



AIR PHOTO MUD VOLCANO



Teer River oil seep



- OIL SEEP
- GAS SEEP
- MUD EXTRUSION

ROMBEBAI CONTRACT AREA

MASI-MASI ISLAND

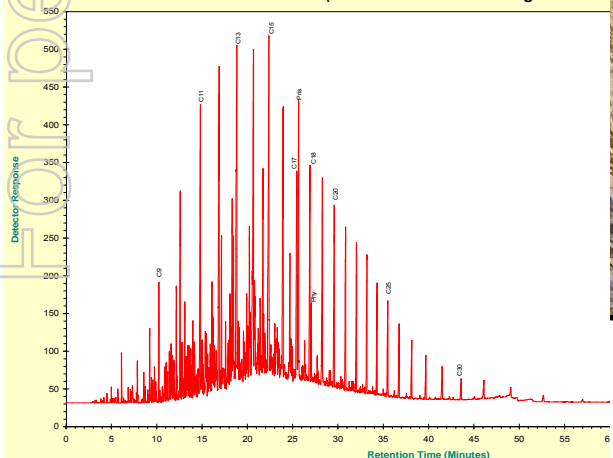
APAUWAR RIVER

LAKE HOLMES

UPPER BIRI RIVER

TEER RIVER

C5, Whole Oil Gas Chromatogram



TEER RIVER SEEP- DISCOVERED 1916. THE OIL IS FRESH AND NOT BIODEGRADED (GC) WITH n alkanes from C7 – C38 (OPPOSITE), BUT GASOLINE FRACTION IS ABSENT (30 – 38API REPORTED) THE OIL IS PREDOMINANTLY FROM LAND PLANT MATTER < RICH IN FLOWERING PLANTS CLASSICALLY OF LATE TERTIARY AGE (GC AND GC-M8), BUT OF CARBONATE LITHOLOGY (LOW DIASTERANE CONTENT).

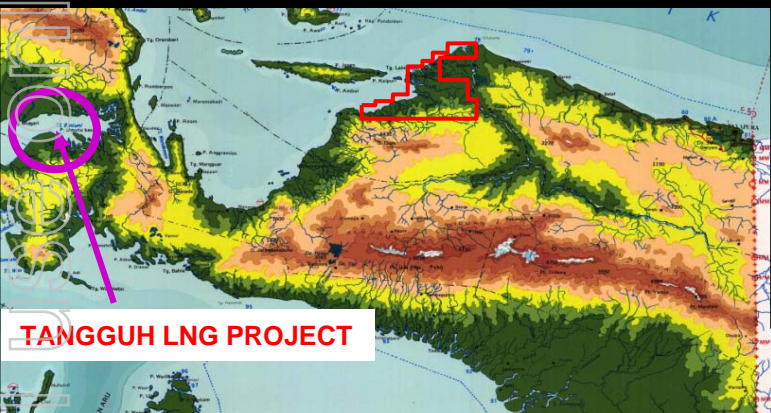
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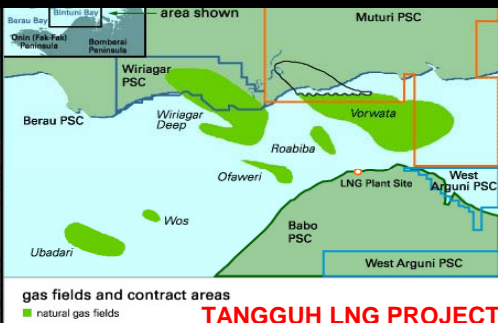


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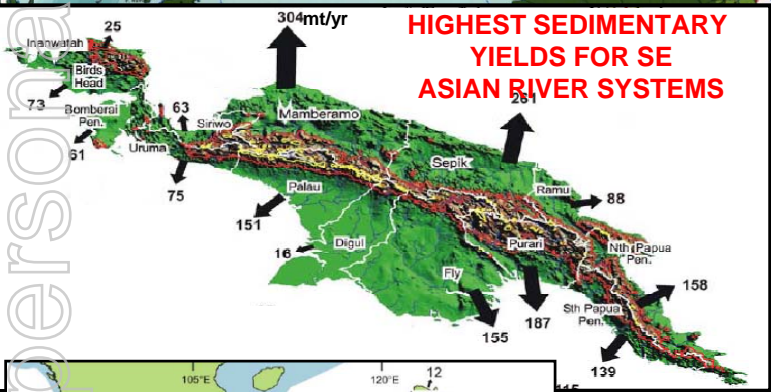
Rombebai – Wells & Seismic Lines



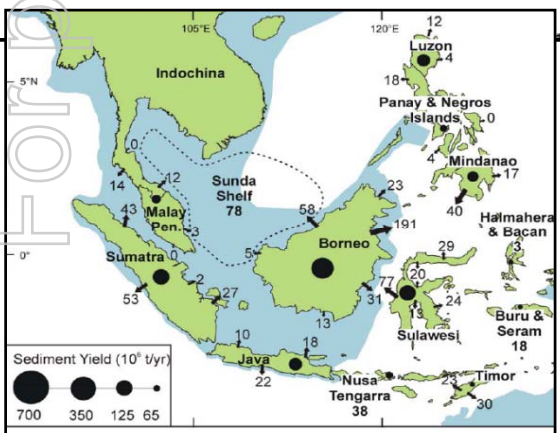
TANGGUH LNG PROJECT



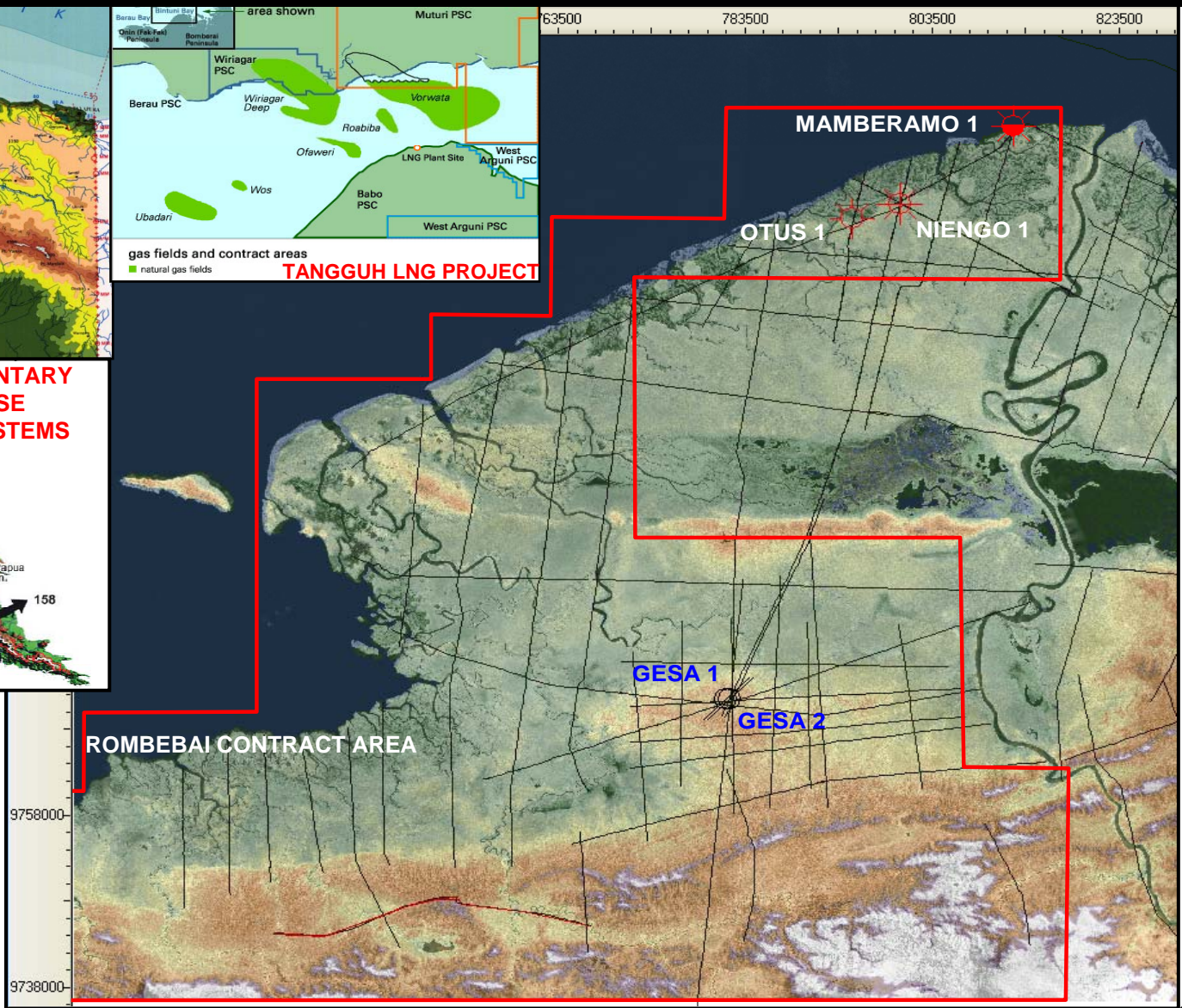
TANGGUH LNG PROJECT



HIGHEST SEDIMENTARY YIELDS FOR SE ASIAN RIVER SYSTEMS

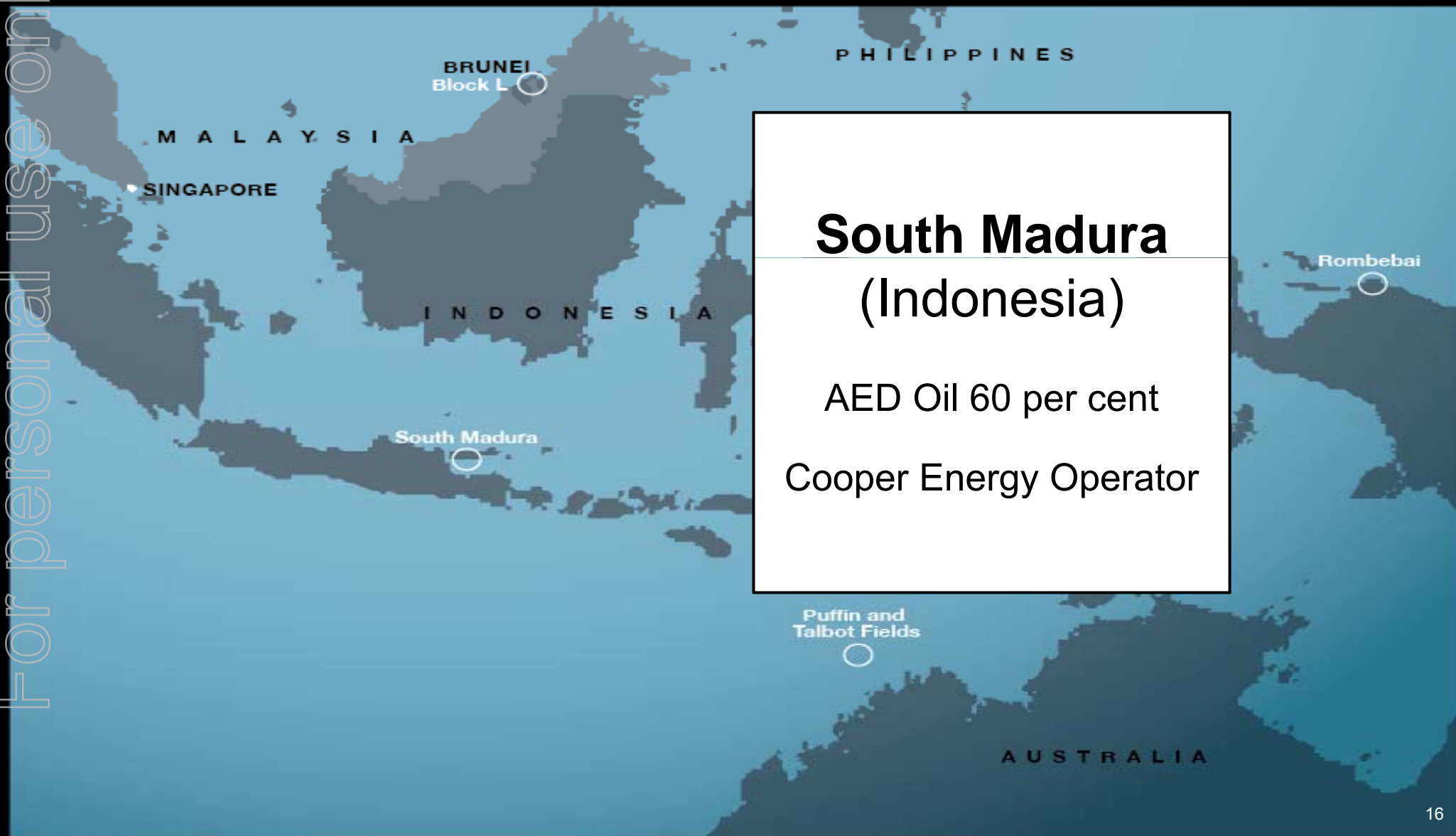


Sediment Yield (10⁶ t/yr)
700 350 125 65



ROMBEBAI CONTRACT AREA

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**South Madura
(Indonesia)**

AED Oil 60 per cent

Cooper Energy Operator

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South Madura



A number of near term shallow targets with low cost drilling and potential for rapid economic development



Power station on Madura Island



Gigir East -1 well due to be spudded in Q2, 2010



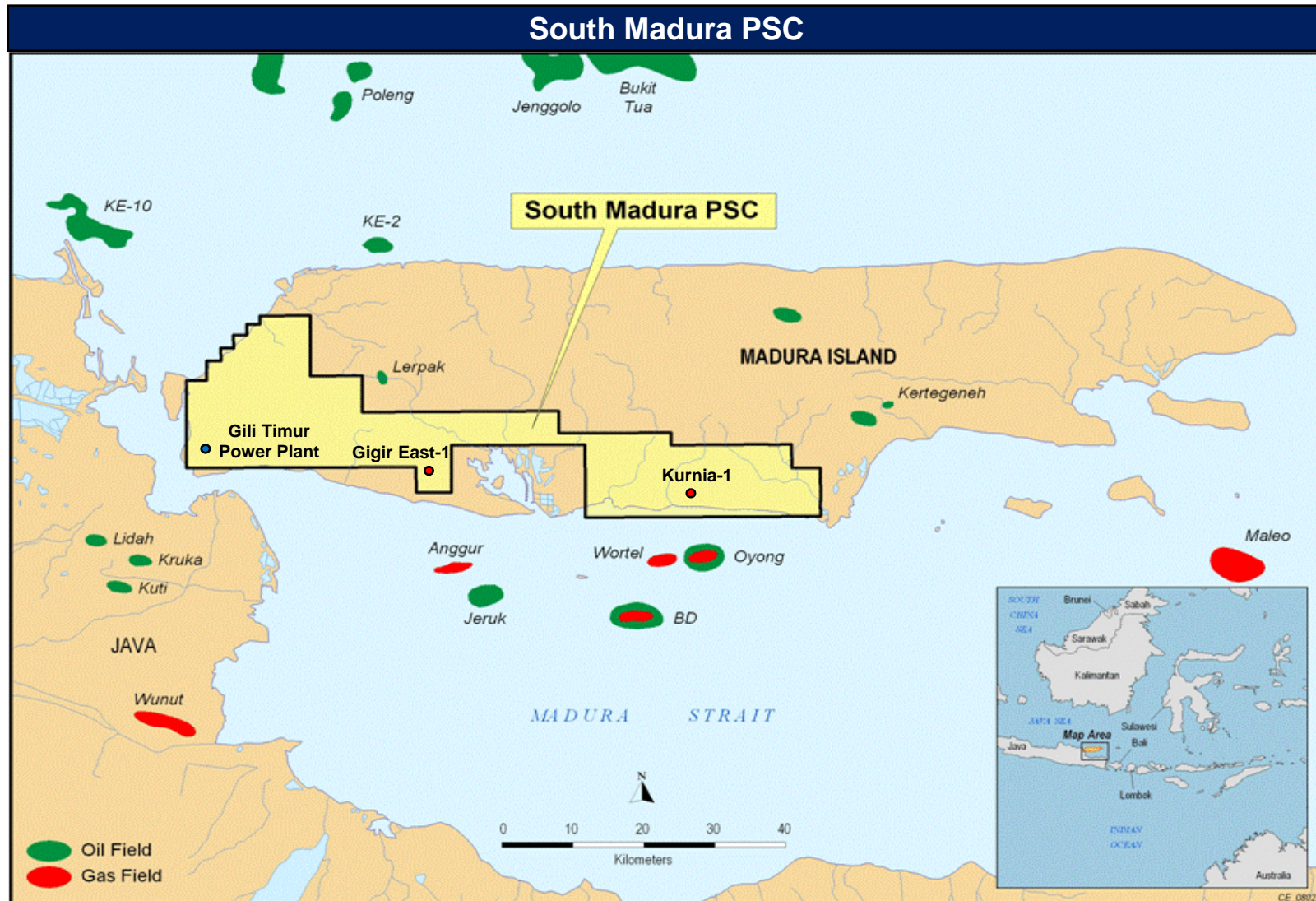
2D Seismic



Deeper reservoirs with higher resource potential

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South Madura

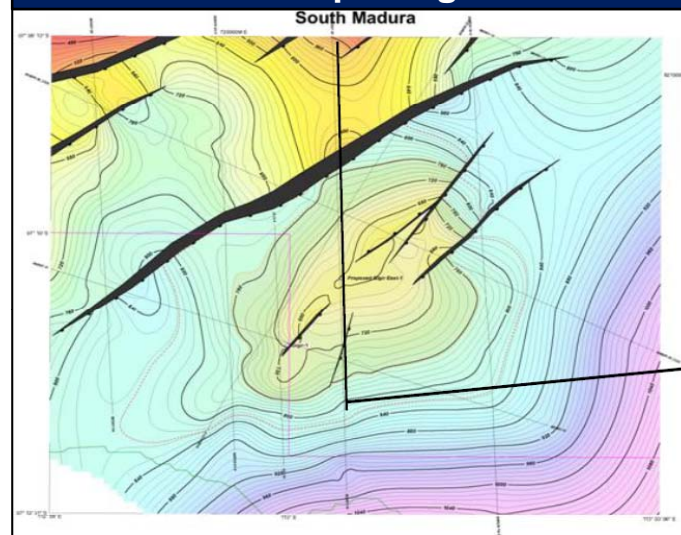


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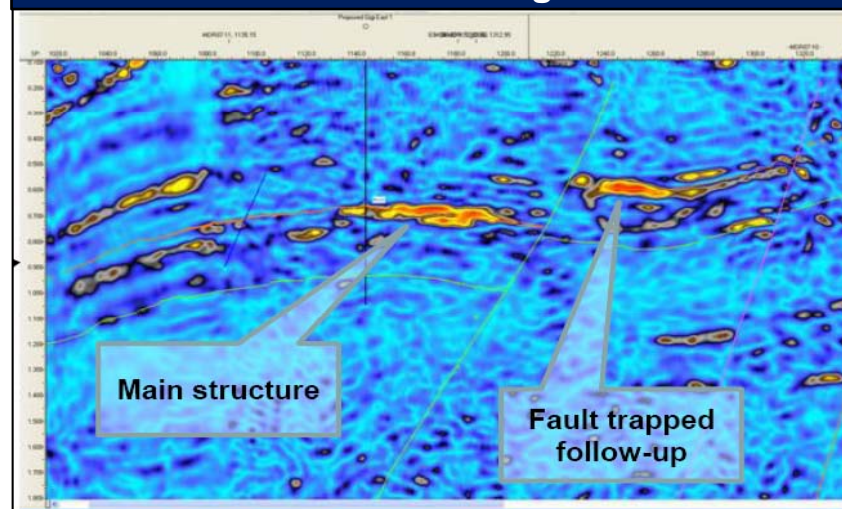
South Madura

Gigir East-1	
TARGET FORMATION	Bulu Formation
TARGET AGE	Middle Miocene
TRAP	4-way dip closure
RESERVOIR	Outer shelf, sub-littoral to bathyal limestones
RESERVOIR CAP	Basal Pasean shale
DRILLING:	
Spud date	Q2, 2010
Total depth	1,234 m
Drilling time	20 days
Drilling design	Vertical well
Drilling cost	approx. US\$4-5 million

Structure Map – Gigir East-1



Seismic section – Gigir East-1



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Puffin & Talbot Fields



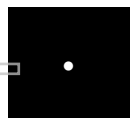
No change in Reserves (28 MMbbl on a P50, 100% basis)



Seismic re-processing completed



New seismic acquisition in progress



Leads and Prospects to be matured in parallel with screening Development studies

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Concluding Remarks

✓
Much has been accomplished in our initial phase of Transformation and Diversification Strategy (Brunei Block L, Rombebai and South Madura)

•
Much remains to be done. Drilling 2 wells in Brunei, 1 well in South Madura and planning for 1 well in Rombebai

•
Continue to integrate our new people and our new offices in Brunei and Jakarta

•
Continue our Subsurface work on Puffin and mature Leads and Prospects in parallel with screening Development studies

•
Continue to restructure our Balance Sheet

•
Continue our Transformation and position AED Oil for future but prudent growth

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Despite the inherent risks (and rewards) of oil and gas exploration, there is reasonable expectation that in the medium term shareholder value, at least to some extent, may be restored in an enduring and sustainable manner

Thank You All Very Much



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Supplementary Information

Brunei

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Brunei Block L

Brunei – Oil & Gas

PROVEN OIL RESERVES	1.4 billion barrels
FIRST PRODUCTION	1929 (Seria Field)
CURRENT PRODUCTION	
Oil	191,000 barrels per day
Natural gas liquids	22,000 barrels per day
Natural Gas	0.3 trillion cubic feet per year
PEAK OIL PRODUCTION	250,000 barrels per day (1979)
PRODUCING FIELDS	Seven offshore, two onshore fields
MAJOR CUSTOMERS	Japan, South Korea, Singapore, Taiwan and Thailand

Future Gas Development opportunities

- **LNG exports expected to grow**
- **BLNG maximum capacity 7.2 million tonnes of LNG per year**
- **Development of local petrochemical industry**
- **Increased LNG tanker fleet**
- **Increase in domestic gas use for energy**
- **Brunei's power demands are growing at around 7-10% annually**

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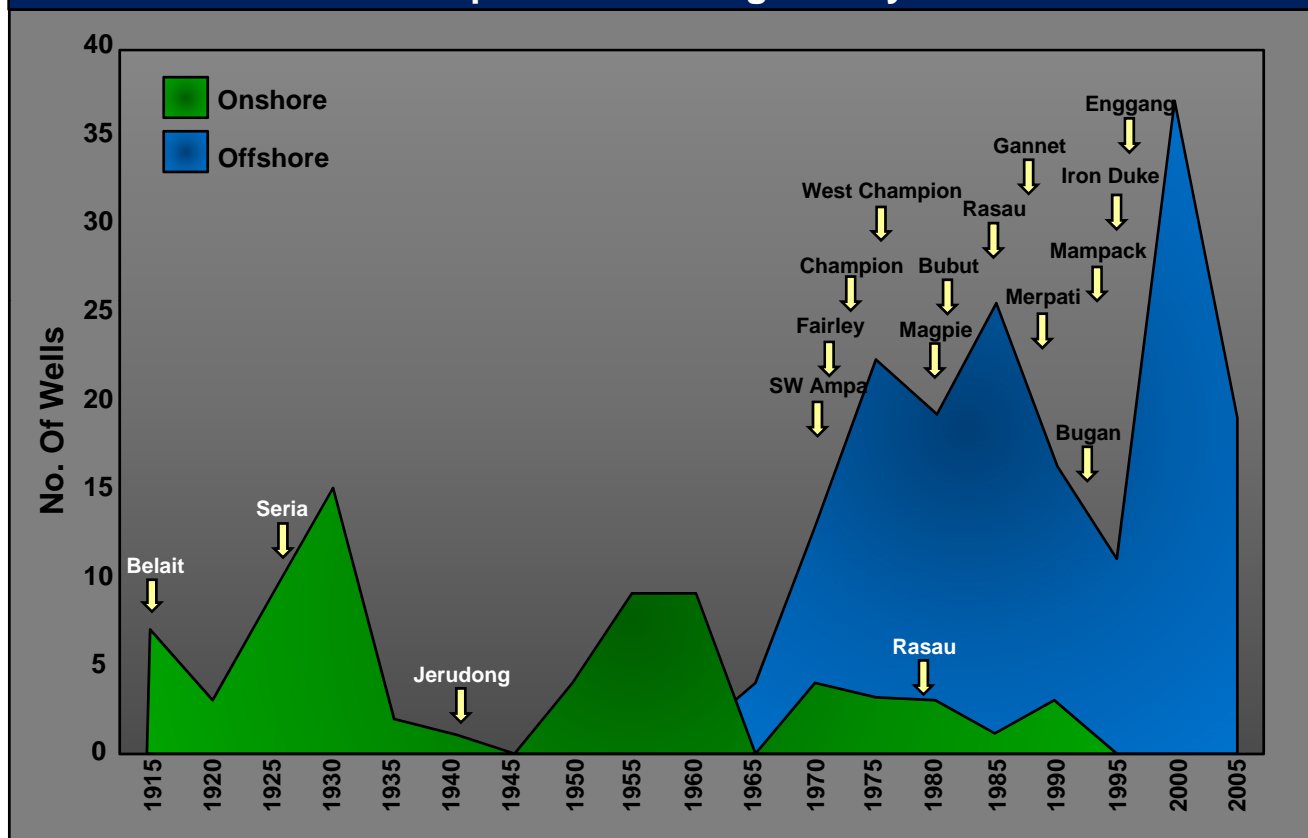
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Brunei Block L

Key Events

- 1912-16 - Belait discovery
- 1929 - Seria discovery
 - > 1 billion barrels produced
 - Peak production 100,000 bbl/d
- 1955/56 - Jerudong discovery
- 1957 - First offshore well drilled
- 1963 - SW Ampa discovery
 - > 1 billion barrels produced
- 1966 - “21 Area” discovery
- 1970 - Champion discovery
- 1975 - Champion West discovery
- 1975 - Magpie discovery
- 1979 - Rasau discovery
- 1984 - Iron Duke discovery
- 2007 – Bubut rediscovered
- 1965-1995 - >47,000 km 2D seismic
- 1980-1995 - >8,600km² 3D seismic
- 2009 - Tutong 3D seismic survey (350km²)
- 2010 - AED acquires 50% interest in Block L

Exploration Drilling History

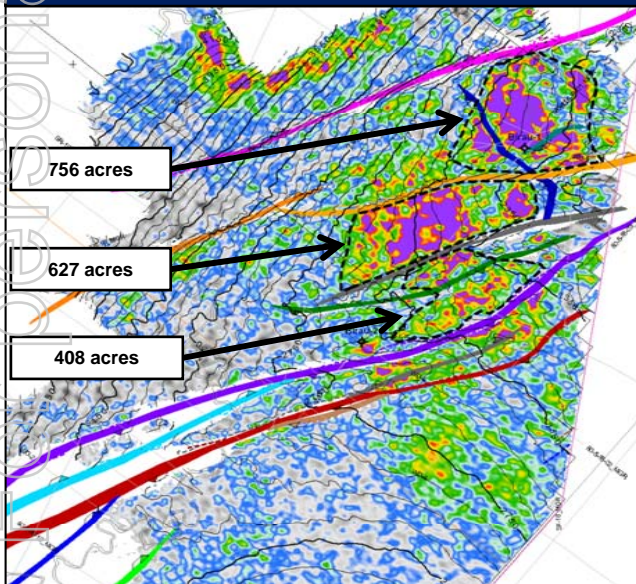


Brunei Block L

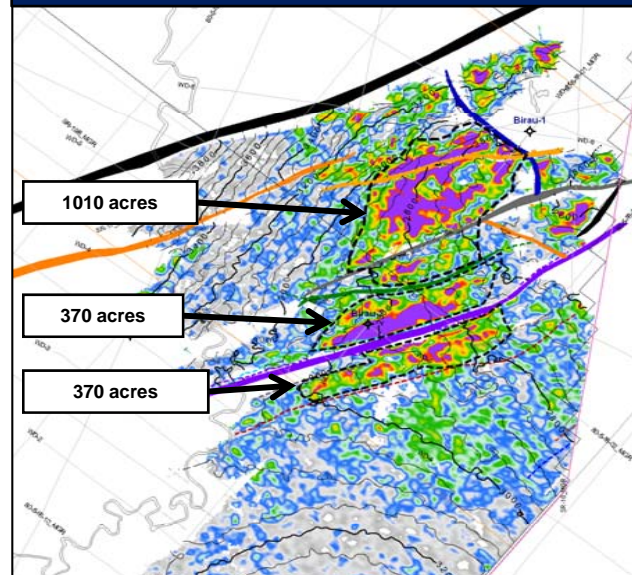
Amplitude Anomalies

- Amplitudes anomalies are often associated with in-place hydrocarbons
- Strong anomalies occur throughout the Belait Formation in Brunei
- Many of the anomalies are stacked and possibly represent stacked reservoir horizons
- Multiple anomalies can be targeted in a single well
- The anomalies help define possible reservoir distribution and volumes (see below)

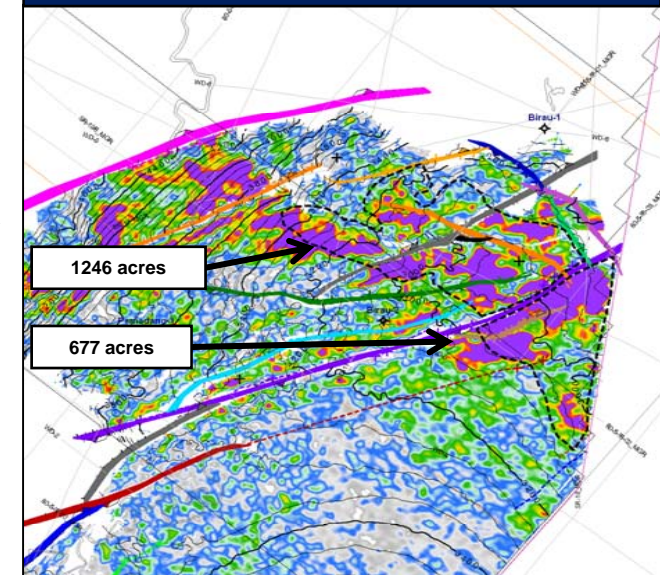
Horizon 1



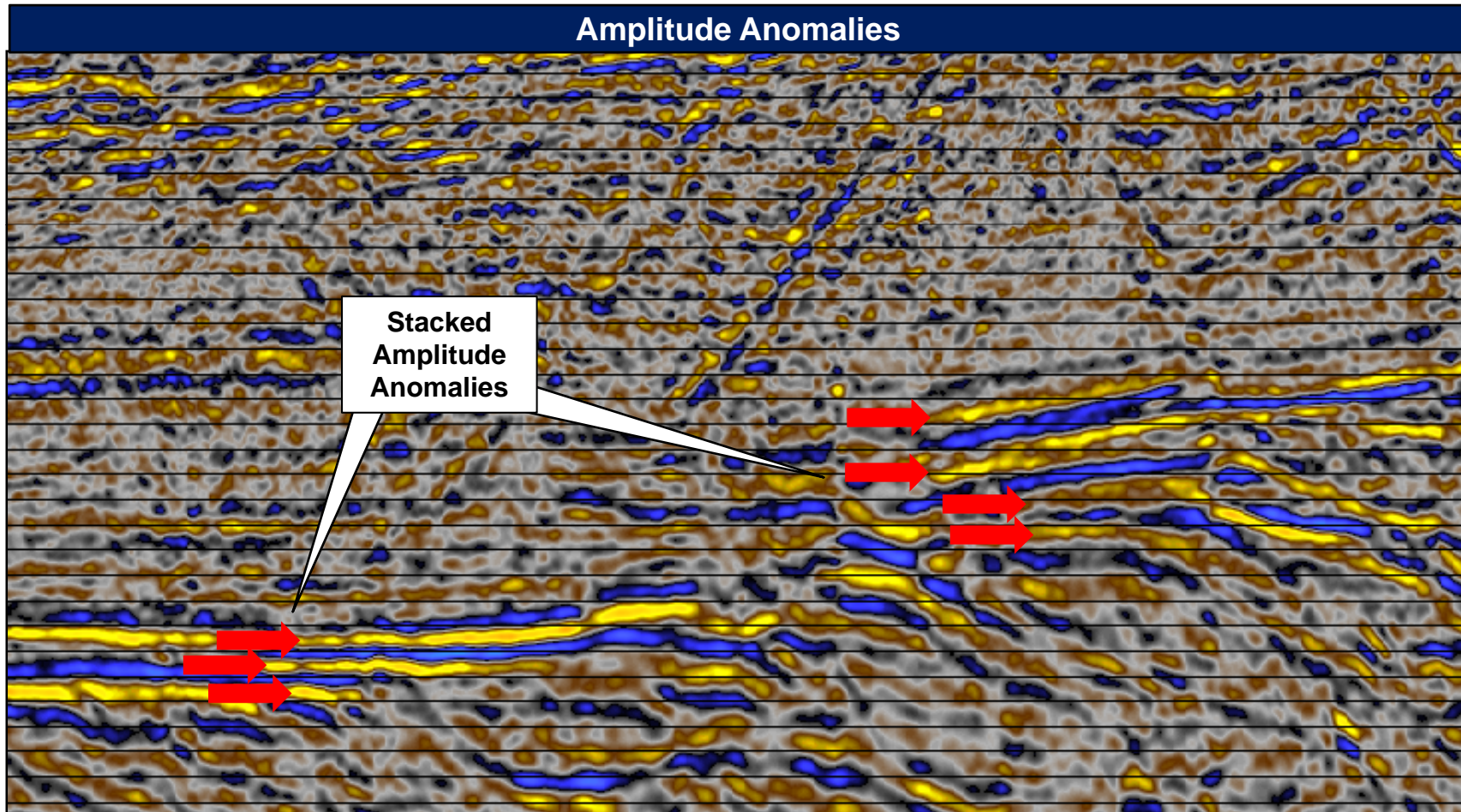
Horizon 2



Horizon 3



Brunei Block L



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Supplementary Information

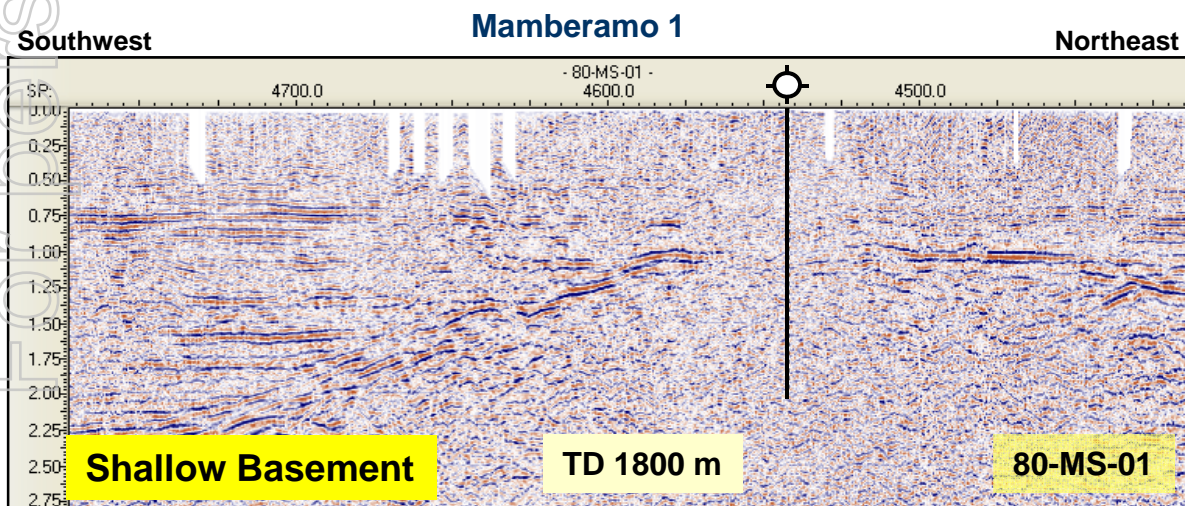
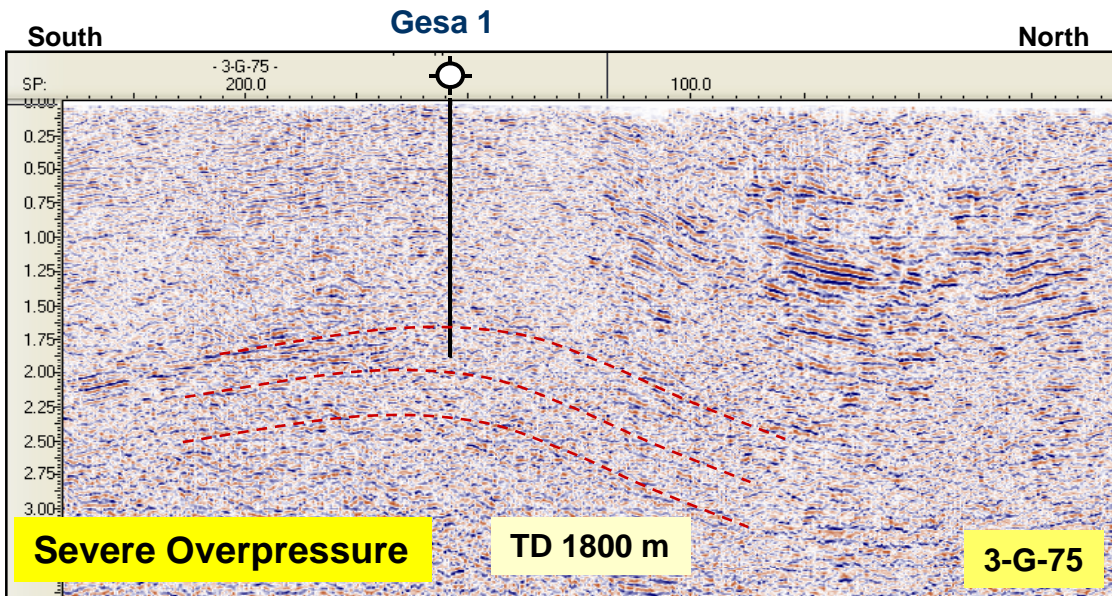
Rombebai

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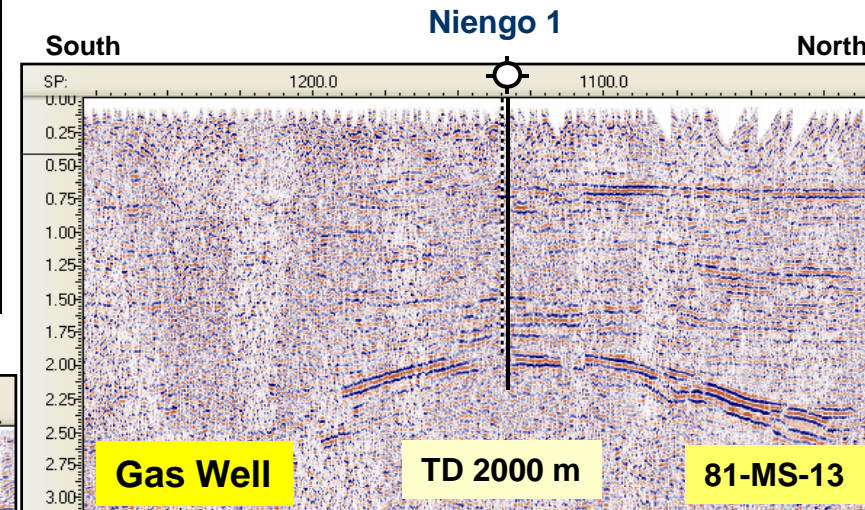


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Rombebai – Dutch Wells 1956-1958



Dutch Wells



All were drilled based on Gravity data

Rombekai – Dutch Wells 1956-1958

1956 The first exploration well, **Gesa 1**, spudded in July. Numerous gas shows were reported below 1295 meters, and a high pressure influx of salt water was encountered at 1715 meters. The well drilled to 1850 meters in the Plio-Pleistocene, where the drill string got stuck. The well was plugged back and sidetracked at 695 meters. High pressure gas shows were encountered below 1590 meters. Pressures approaching the limits of the casing and BOPs were encountered, so the well was abandoned at a measured depth of 1751 meters, in February 1957.

1957 A second well, **Gesa 2**, was spudded 500 meters to the east of the Gesa 1 location in December. This well also encountered high pressure gas shows and was abandoned in April 1958 without reaching the objective of the Pliocene Mamberamo C sand.

In April 1957 the **Mamberamo 1** well was spudded, on the northern coast. The well drilled through predominantly shale until 1227 meters, where basement was encountered. Drilling continued to 1978 meters, where the well was plugged and abandoned.

1958 In August 1958, the **Niengo 1** well was spudded, also in the northern part of the block. The well reached at total depth of 2037 meters, in metamorphic basement rock. Several gas shows were recorded below 1500 meters. The Niengo 1 was abandoned in November 1958 and the concession subsequently relinquished. The Niengo 1 encountered a 330 metre gas column and electric logs demonstrated 94 m of net gas pay. A drill stem test from 1500 to 1523.7 meters flowed 4.5 mmcf/d of methane gas (99.2% pure) to surface with a calculated absolute open flow rate exceeding 60 mmcf/d, indicating good reservoir deliverability. A DST also tested a carbonate unit directly overlying the basement, but only recovered formation water.

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Rombebai – Nations Petroleum 2007

2007 The **Otus 1** well drilled to 3200 metres, had minor gas shows and tested 1200 barrels per day of water, with a small amount of associated methane gas.

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