



12th May 2006

ASX Announcement

Norwest Energy advises that AED Oil Limited today announced the following:

“Puffin-7 Well Completion & Company Update

Puffin-7

AED Oil Limited (**Company**), as 100% owner and Operator of AC/L6, reports the lower completion 6 5/8” screens have been run and set over the interval 2,520.5m to 2,597.6m in the Puffin-7 well. (Depths are referenced to the rotary table (MDRT)). Packers have been set and tested inside the 9 5/8” casing, all tubing for the 4 1/2” upper completion run and the hanger made up and terminated. The completion of the horizontal section of the well represents another significant milestone for the Company. The Company is currently preparing to rig up the riser.

Following completions, flow testing of the well will be performed. Testing will be limited to an expected flow of 7,000 barrels per day limited by the capacity of testing equipment and the ability of the Company to flare safely which is dependent upon weather conditions. If flow testing is successful, within the test equipment constraints, an expected production flow rate in excess of 15,000 barrels per day will be confirmed.

Puffin

The Company has commenced a detailed reprocessing of the Onnia 3D seismic survey covering the Field in order to correlate the drill results from the Puffin-7 and Puffin-9 wells. Four hundred square kilometres of seismic data will be reprocessed over the coming months which will assist in the calculation of reserves for Puffin-7, Puffin-9 and Puffin-8. The Company will also use the reprocessed data to select future drilling locations and define exploration opportunities and development scenarios.

Corporate

The company also announces that it has now completed its initial hedging program in accordance with the project finance facilities agreement. The Company has entered into hedging contracts for 1.2 million barrels for delivery during 2007 and 2008 at an average price of approximately \$US72.00

Earlier this year the Company renegotiated its royalty agreement with the previous owner of the tenement (Century Exploration International (CEI) and its related entities). This resulted in the Company granting an over-riding royalty interest (ORRI) to CEI of 1.25% over the field in replacement of CEI's previous rights to an ORRI over Puffin-9.”

Norwest Energy has a 1.25% ORRI in AC/P22 and the Puffin Oilfield (AC/L6). The Norwest ORRI is separate from and in addition to the CEI referred to above.

For further information contact

Mr. Joe Salomon

Telephone: +61 8 9227 3240

Email: info@norwestenergy.com.au