

**ASX Announcement**

22nd October 2007

***Puffin Update***

Norwest provides reference to an ASX announcement dated 22nd October 2007, released by the Puffin Oilfield operator, AED Oil Limited, as attached.

Norwest has a 1.25% over-riding royalty interest in the Puffin Field and the AC/P22 permit. Production from Puffin is a huge achievement for AED, and Norwest congratulates them on their success.

The royalty to be received by Norwest from the Puffin field will make a significant impact on the Company's finances going forward and will allow it to seek out and acquire advanced exploration and/or production opportunities to add to its already sound and diverse exploration portfolio.

For further information on the latest AED announcements please refer to the ASX website.

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*The summary report on the oil and gas projects is based on information compiled by Mr J A Salomon, BAppSc (Geology), Chief Executive Officer of Norwest Energy NL. Mr Salomon holds a relevant degree in geology and has been practising petroleum geology for 25 years. Mr Salomon is the full-time Chief Executive Officer of Norwest Energy NL and has consented in writing to the inclusion of the information stated in the form and context in which it appears.*



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**ASX Announcement**  
**22 October 2007**

**AC/L6**

**General Update**

**Puffin North East – Commissioning and Production**

AED is reaching the final stages of commissioning the Puffin North East field. Outstanding works include corrections to the flow metering, water handling systems and gas lift systems. These works are expected to be completed within the next one to two weeks.

Initial production during the commissioning period to date has been approximately 300,000 stb. Crude oil offtake of 330,000 stb is on target for 27 October 2007. During the commissioning period produced water has averaged approximately 12%. Initial analysis on the water cut suggests that this may be partially due to sand mobilization. It should be noted that sand screens have been installed in order to protect the integrity of well infrastructure. There has been no evidence of sand in the production stream. As water handling and gaslift facilities have not been fully commissioned, oil production levels will remain lower than initially forecast while works are being completed. The introduction of gas lift which will occur post commissioning is intended to maximize total fluids production and optimize oil production. Preliminary assessments suggest that the ongoing production rates are likely to be approximately 20,000 to 25,000 bopd.

**Puffin South West drilling update**

AED Oil Limited as operator of AC/L6 reports that drilling of Puffin-10 has reached a depth of 962.5m MDRT. The BOP (Blow Out Preventor) has been installed and is presently being tested.

The Wilcraft Jackup rig is drilling the well. Water depth at location is 84 m. The rotary table is 34.8 m above the sea level. All depths are reported as metres from the rotary table (MDRT) unless specified otherwise.

The primary objective of the well is to drill and complete a horizontal section of at least 200 m in the reservoir interval within the Upper Cretaceous (UK1a) sands. The well is expected take to approximately 55 days to drill and complete. Production from Puffin-10 will be directed through the Modec Venture (MV1) FPSO. Production from Puffin SW is expected to commence in the first half of 2008.

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