



**norwest**  
E N E R G Y

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22 November 2007

Company Announcements Office  
Australian Securities Exchange Limited  
Level 4  
20 Bridge Street  
Sydney NSW 2000

### **Puffin Oilfield**

AED Limited has today made the attached announcement in connection with the Puffin Oilfield over which Norwest has a 1.25% over-riding royalty interest.

#### **For further information on Norwest contact**

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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.*

**"AED Oil Limited**

ACN 110 393 292 PO Box 18199 COLLINS STREET EAST VIC 8003 AUSTRALIA

**" 22 November 2007  
Responses to AGM Questions**

In response to a number of questions raised at the AED's AGM yesterday, and subsequent technical presentation, the Company makes the following points of clarification:

**North East Production**

. The occurrence of water as part of the production stream is a normal occurrence for a reservoir structure like Puffin NE and is in the range of production scenarios anticipated.

. Certain short term commissioning issues (including gas lift, metering and water handling) have been constraining recent production rates.

. These three commissioning issues are production equipment related, not reservoir related. All of these issues are expected to be rectified within 3 months and the Company anticipates a target production rate building to approximately 20,000 barrels per day during this period.

. The Company intends to maximise oil production to the extent of the FPSO processing capacity and to that end an additional production well is being planned for the first half of 2008. As a result, it is expected that production levels following this drilling program will further increase. This plan is in line with the Company's previously stated drilling strategy.

**Financial Performance**

. It is noted that the Total Operating Costs for the North East (which are predominantly fixed costs) are in the order of USD\$9m per month.

. Accordingly, even at the current production rates, the Company is already achieving significant operating cash flow and profitability from the North East Region.

**Reserves**

. The Company reviews its Reserves and Resources on a regular basis, taking into account all relevant factors including recent drilling results, results from reservoir studies, production information and oil price movements. Based on information to date the Company's Reserves and Resources position (as per independent expert reports) is consistent with previous announcements



The Company continues to work on a development plan, including additional wells to fully exploit the NE Reserves, the potential development plans for the SW and feasibility studies into the development for recoverable oil in Talbot and other exploration leads and prospects. Recovery of oil will always be subject to suitable field development.

## South West Region

- As discussed, the Company continues its appraisal of the South West Region through its drilling program of Puffin 10. Development options are being evaluated and include the completion of Puffin-10, the re-entry of Puffin-9 and the drilling of additional wells.

Trevor Slater Company Secretary General Manager, Marketing"