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28 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

**"ASX Announcement
28 November 2007**

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Puffin-10 Update and Puffin South West Development

As stated in AED's release of 22nd November 2007, the Company continues its appraisal of the South West region.

The objective of the Puffin-10 well design was a combination appraisal and development. The well encountered more complex geology than expected, two, additional sidetracks were drilled, with the aim of better understanding the geology.

The well encountered several sands of variable thickness but individually with a maximum of 2.5m (metres), which have been interpreted as the thinning of the South West Puffin-UK1a sands in the vicinity of Puffin-10. The majority of these sands were found to be oil-bearing. Several reservoir pressures were taken, with the conclusion that some of these sands could be connected to the UK1a sand encountered in Puffin9, showing continuity of a larger oil accumulation.

The results from this well and additional seismic reprocessing will be integrated to formulate a forward development plan for the Puffin South West region. The Company has decided to suspend the Puffin -10 well.

As previously advised, consideration is being given to either re-entering the Puffin-9 well, which successfully discovered oil in both, the UK1a (6m) and the LK1a (2.5m) sands, or drill an additional well in that region. The aim of re-entering Puffin-9 would be to drill a horizontal/slant well, developing both oil-bearing sands. This drilling plan is subject to the availability of suitable drilling and installation vessels, expected availability in the second half of 2008. Production could then occur with a flowline connection to the Front Puffin in the North East or as a stand alone development using the Modec Vessel. The Company remains confident of a development in the South West region.



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Further, it is noted that the next offtake from the North East production facility will be undertaken by the 30th November 2008.

Trevor Slater Company Secretary General Manager, Marketing"