



ASX Announcement

20 April 2011

EXPLORATION PERIOD FOR ROMBEBAI CONTRACT EXTENDED TO JULY 2013

Highlights:

- **Exploration period for Rombebai PSC extended to 15 July 2013**
- **Recent analysis suggests presence of both gas and oil**
- **Drilling plans to continue**
- **Farm-out negotiations to recommence**

AED Oil Limited (ASX Code: AED) is pleased to announce that AED Rombebai B.V. as 100% operator of the Rombebai Block in Papua, Indonesia has received an extension of the exploration period for its current production sharing contract (**PSC**) until 15 July 2013.

AED Oil Executive Chairman Mr David Dix said:

“This extension is a very positive event for the Company. It provides us with increased certainty of control over an asset with outstanding commercial potential. We believe this certainty will leave us well placed to attract and negotiate with potential farm-out partners who can work with us to develop this world-class prospect.”

The Rombebai prospect contains the Gesa structure, which is a world-class prospective resource where AED is targeting in excess of 7 Tcf of gas. In addition to the significant gas potential within Rombebai, we believe there is also the real possibility of a major oil find.

Rombebai has an excellent path to market with the potential to become a major liquefied natural gas development similar to the nearby BP Tangguh LNG development. AED has become increasingly optimistic about Rombebai. Our initial assessment had suggested the presence of biogenic gas only; however recent analysis of previous drilling results suggests the presence of hydrocarbons.

New seismic data and interpretation work has significantly increased the prospectivity of the Gesa structure. Recent studies suggest oil as well as thermal gas potential indicated by oil fluorescence in Gesa 1 and 2, and from oil analysed in hydrocarbon seeps.

Our 2011 geological and geographical program will focus on reprocessing data and performing detailed AVO studies to better quantify the hydrocarbon type and distribution, as well as sampling oil seeps in the region.

AED plans to recommence farm-out discussions with interested parties, with a view to conducting drilling operations at the Kare-1 well upon obtaining the required forestry permits.

AED believes that the additional time will allow the following activities to be performed before the time at which for a Plan of Development is required to be submitted in respect of the Rombebai Block:

- Drilling and testing and evaluation on the result of the Kare-1
- Drilling further exploratory/delineation well pending results from Kare-1
- Geological and geophysical studies to confirm and certify any hydrocarbon reserves discovered
- Acquisition & processing of further seismic as required.

Key terms of the extension are as follows:

- To continue to perform drilling operations and activities as per the current 2011 approved work program in relation to drilling the exploration well Kare-1 by November 15 2011 (a condition which may be waived if AED has made significant progress in drilling preparations for this well)
- If the exploration well is a “dry well”, AED Rombebai B.V. may apply to continue to explore the Rombebai Block for the remainder of the exploration period
- If within the exploration period, AED Rombebai B.V. discovers an economic hydrocarbon reserve to be developed, then AED Rombebai B.V. may submit an additional request for a maximum of a further twelve months effectively for the purpose of determining commerciality of the Block
- AED Rombebai B.V. will relinquish the Rombebai Block if economic hydrocarbons are not discovered during the exploration period
- The term of the PSC remains unchanged at 30 years.

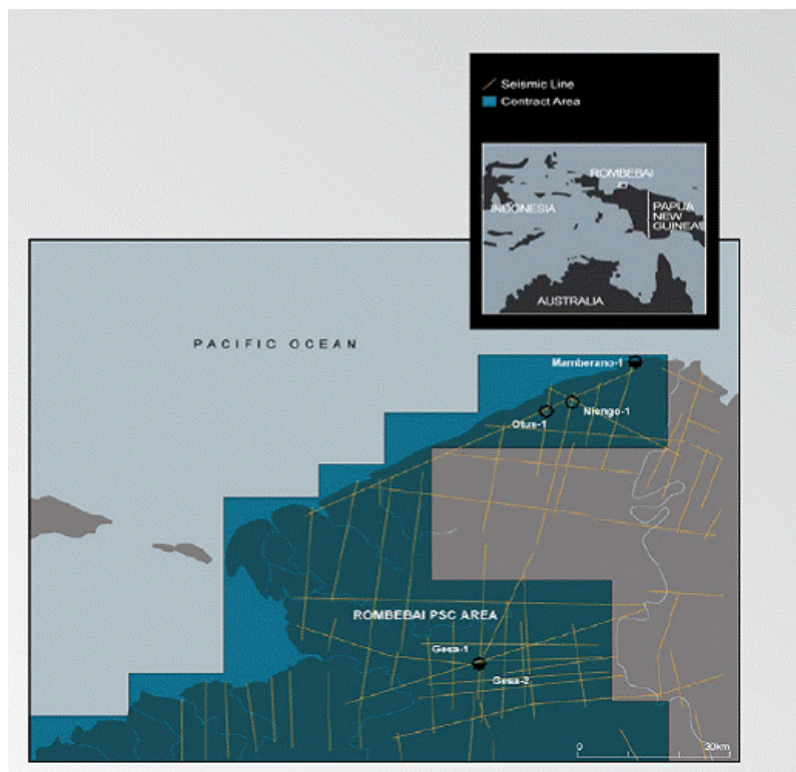


Figure 1: Rombebai PSC Area

Media Contacts

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