AED Announces Completion of Joint Venture with Sinopec
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Corporate Profile

- Permit interest located in Australian Territorial Waters - Puffin Oil Field and Talbot Oil field located in the Timor Sea.
- High Quality Light Sweet Crude suitable for regional refineries, receiving prices at a premium to the APPI Tapis benchmark.
- Strong Cash position AUD 350 m
- Low exposure to debt
- Strong Joint Venture Partner
- Oil identified in 2 regions Puffin NE and Puffin SW. Further drilling to occur in 2nd half of 2008.
- Significant exploration potential

<table>
<thead>
<tr>
<th>Key Market Statistics (as at 24 June 2008)</th>
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<tbody>
<tr>
<td>Share Price</td>
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<tr>
<td>Shares on Issue</td>
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<tr>
<td>Market Capitalisation (fully diluted basis)</td>
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<tr>
<td>Cash Received (Sinopec)</td>
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<td>Convertible Note</td>
</tr>
<tr>
<td>Net Cash after debt reduction (post Sinopec JV completion)</td>
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Sinopec-AED Joint Venture ("JV")
- Value assets at $A1 billion
- Formed on 1st April 2008
- Sinopec 60% & Operator
- AED 40%
- Both parties must agree on Capex budgets
- Crude oil to trade on the open market
- JV holds a significant growth portfolio of producing development and appraisal assets
- Puffin NE - production
- Puffin SW - development
- Talbot - discovery
- Other leads and prospects

![Map of oil fields and blocks]

AC/L6 Production Licence
AC/P22 Permit Blocks
AC/RL1 Permit Blocks
What the Joint Venture means for AED

— Joint Venture enabling the development of the Puffin Field beyond the previous capacity of AED
— Company substantially de-risked
  — reduction in debt
  — Sharing of operator risk
  — Considerable cash resources (A$350 m)
— Capacity to now develop Puffin and Talbot fields. (Sinopec keen to considerably increase oil production). Drilling program scheduled for early 2nd half 2008. Sinopec is an experienced operator and will incorporate existing experienced AED personnel
— Experienced operators with Sinopec being the 7th largest oil company in the world
— Net cash at completion approximately A$350m to be applied to further field development and to other ventures presently being evaluated
— JV to pursue future regional development
— SIPC is a wholly-owned subsidiary of the China Petrochemical Corporation (*Sinopec Group*), and was formed as a special company to undertake overseas investment and operations in the upstream oil and gas sectors.

— Sinopec Group is China’s largest producer and supplier of oil products and major petrochemical products. It is also China’s Second largest crude oil producer.

— China Petroleum and Chemical Corporation (“Sinopec Corp”) is controlled by Sinopec Group, which is listed on the stock exchanges of London, New York, Hong Kong and Shanghai.

— The Sinopec group in 2007 was ranked 17 in the fortune 500 and is the 7th largest oil company in the world.

— Sinopec produces approximately 800,000 barrels of oil per day and markets in excess of 2.4 million barrels of oil products each day.

— SIPC will operate the joint venture through its Australian wholly owned subsidiary East Puffin Pty Limited (EPL)and will be based in Melbourne.

— Sinopec is the major sponsor for the Beijing Olympic games
Puffin Oil Field - Background
— The Field is situated in the Timor Sea, 200km off the coast of Western Australia in water depth of ~70-100m
— The Puffin Field comprises of the North East and South West Regions
— North East comprises of NE1 (oil producing), NE2 (proven oil area) and NE3 (prospect)
**Strong inventory of Leads and Prospects within AC/P22 ACL6**

<table>
<thead>
<tr>
<th>Target</th>
<th>Category</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodlea</td>
<td>Prospect</td>
<td>Recent depth conversion suggests this is a suitable appraisal location for the greater Puffin SW area. Analysis suggests light oil in place.</td>
</tr>
<tr>
<td>Pryde / NE3</td>
<td>Prospect</td>
<td>Considered a robust prospect, suitable for appraisal drilling.</td>
</tr>
<tr>
<td>Predator</td>
<td>Advanced Lead</td>
<td><strong>Lead/ Prospect</strong></td>
</tr>
<tr>
<td>Vulcan</td>
<td>Lead</td>
<td>Considered a very prospective play along the likely migration pathway. Anomalous amplitude over 14km².</td>
</tr>
<tr>
<td>Frog</td>
<td>Lead</td>
<td>Well defined intra basinal high.</td>
</tr>
<tr>
<td>Tadpole</td>
<td>Lead</td>
<td>Well defined intra basinal high.</td>
</tr>
<tr>
<td>Prichard</td>
<td>Lead</td>
<td>Small seismically defined anticline at Puffin Shale level.</td>
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- Seismic reprocessing and interpretation is underway to further define exploration opportunities.
- Exploration program is now well advanced.
- Rapid commercialisation of any discoveries should be possible through the tie-back into existing field facilities.
Significant Projects, lead and Prospects

Puffin North East Region

Puffin South West Region

UPDIP Parry Lead
Vulcan Formation Onlap Lead
NC2 LK1
Puffin NE1 Producing
NC3 Prospect 1 Horseshoe Basin
NC3 Prospect 2 Yarrabiria Flats
NC3 Prospect 3 Vulcan Flats
SW Updip Prospect
Woodley Prospect
Puffin SW P10 closure
Campanian Amplitude Lead
Pritchard Puffin FM Lead
Predator Puffin FM Lead
The Talbot Oil Field is located in the Bonaparte Basin. The permit covers an area of 83 square kilometres.

- Discovery wells Talbot-1 & Talbot-2 each tested approximately 5,000 bopd of 50° API premium quality crude oil with low sulphur content.
- AED acquired a 100% interest in the Retention Lease AC/RL1 including the Talbot Oil Field effective 2 July 2007.
- Talbot Field life – expected 2-3 years with peak rate of 16,000 bopd.
- Drilling is proposed to commence in 2009 technical work underway.
- Seismic reprocessing.
- Evaluation of gas re-injection and water injection options.
- Development concept based on new production well with dual lateral horizontal well bores.
The *Front Puffin* FPSO conversion completed in 2007

- Nameplate production capacity 40,000 bfpd, operational capacity 30,000 bfpd
- Fixed 6 point mooring system
- Processing:
  - 3 stage separation process
  - De-watering by hydro cyclone
  - Gas is either flared or is compressed for gas lift
- The Front Puffin has a total storage capacity of 740,000 bbls
- Crude oil pumped via floating hose into tandem moored FSO
No major incidents:

- Four wells have been drilled successfully with no major incidents
- FPSO conversion was carried out over 6 months with no Lost Time Incidents (LTI’s)
- Subsea installation was carried out with no major incidents
- Production Operations has had no LTIs
— Puffin Crude oil is a very high quality crude (API gravity of 43.6, and sulphur content of 0.05 wt. %) Puffin crude produces high yield of excellent quality gasoline and middle distillates making it an ideal feedstock, particularly for refineries in Australia and Asia.

— The yield profile of Puffin crude is almost identical to that of Tapis crude, lower wax content and better pour point.

— Puffin Crude trades as premium to APPI Tapis.

— The Puffin Crude will continue to be marketed on the international market.

— Production and offtakes have been occurring during the joint venture completion process as normal.

— Puffin Crude has now been approved by the major refining systems within the Market region.

— Puffin crude is presently sold via an FOB arrangement with Total.
Continuing production. An additional production well is being planned for 2nd half of 2008

Further appraisal and development. Drilling in this area in 2nd half of 2008

Further appraisal and development

Exploration targets and appraisal

Significant increase expected from drilling program. The joint Venture has a clear objective to significantly increase oil production in the near term

In addition to applying cash to the development of the Puffin Field the Company is able to pursue additional oil prospects in the Asia Pacific region utilising the Company’s strengths in identification and acquisition.
AED Oil welcomes its new Joint Venture partner, East Puffin Pty Limited (a wholly owned subsidiary of SIPC) as we both move towards reaping the rewards that the Puffin and Talbot oil fields offer.

Below: The signing ceremony for the SIPC/AED joint venture on 18 June 2008. Mr. Geng, Chairman of East Puffin Pty Limited and Vice President of SIPC congratulated by Mr. Branson, Director of AED Oil Limited. The ceremony was telecast by CCTV to China and widely reported by the Beijing press.