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AEPI Midstream Inc

Advance Energy Limited (AVD) has incorporated in the United States, a 100% owned subsidiary of its US operating company Advance Exploration & Production Inc (AEPI) to hold the Company's midstream assets. The Company will be called AEPI Midstream Inc and will have the natural gas pipeline in the Palo Pinto project conveyed into it.

The decision to have a separate midstream company is based on the different risk profiles and management issues raised by midstream assets as opposed to oil and gas producing properties. Midstream is the area of the industry that falls between exploration and production (upstream) and refining and marketing (downstream). It is the Company's intention to continue to acquire these assets where possible and to create portfolio annuity of cash flowing infrastructure assets.

By example, the Palo Pinto pipeline is a five mile, four inch steel line that was acquired with the original asset. The pipeline would have a replacement cost today of approximately US\$1M and when fully utilized is expected to produce a cashflow of US\$150,000 per month.

Advance Energy Limited is focused on the acquisition and development of oil and gas producing assets in Texas USA. The company aims to acquire assets with a combination of debt and equity that have current production and cash flow and to enhance production and cash flow through the further development of these assets. Once a property has reached its full productive potential and/or has achieved economic payout to Advance Energy, the Company would look to on sell all or part of its interest. It is the aim of the Company to develop a portfolio of assets which will be developed and traded to maximize returns on funds invested.

For further information contact:

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